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ABSTRACT

The opinions of Pennsylvania educational and legislative leaders on four issues of critical importance to higher education in the state were evaluated. For the two issue areas of enrollment and resources, respondents were asked through interviews and a questionnaire to make projections for the 1980s, to identify the group or agency that should be primarily responsible for planning regarding resource and enrollment declines for public sector institutions, and to express their views concerning a number of means for resource and enrollment planning. The responses are analyzed by respondent category (legislators, presidents and vice chancellors of four types of higher education institutions, and state department and board of education personnel). The pattern of responses for different issue areas are also analyzed. The third issue area was the relationship between independent institutions and state government. Fifty-six percent of respondents agreed that the state's role in private higher education would increase, while 38 percent disagreed, and 6 percent had no opinion. A larger percent of interviewed respondents felt that the state role would increase during the 1980s. Opinions on means through which the state could assist private institutions were obtained. The fourth issue area concerned the state level structure for enrollment and resource decision-making during the 1980s. Research and literature concerning these four issue areas and on the evolution of the relationship between colleges and universities and state government are reviewed, and possible implications for higher education in Pennsylvania during the 1980s are suggested. The system of higher education in the state is also described. A bibliography and a sample questionnaire are included. (SW)

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Occasional Paper No. 2

# PENNSYLVANIA POSTSECONDARY EDUCATION POLICY SYSTEMS: COPING WITH ENROLLMENT AND RESOURCE DECLINES*

by

Patricia H. Crosson

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## EDITOR'S INTRODUCTION

This report is part of a series of occasional papers published by the Institute for Higher Education. These publications are designed to provide a forum for the presentation of current research, commentary, and debate about issues of concern to the higher education community.

Dr. Crosson builds upon her previous study of master planning for higher education in Pennsylvania (Crosson, 1979) by focusing more specifically on institutional responses to various types of state level policy. While the study is based on research conducted in Pennsylvania, Dr. Crosson has rooted her analysis within the more general context of statewide higher education planning and policy by reviewing and drawing relevant implications from the literature in the field. Hence, this report addresses policy concerns that are important for higher education systems not only in Pennsylvania but in other states as well.

John C. Weidman, Director
Institute for Higher Education
and
Editor, Publication Series

## AUTHOR'S INTRODUCTION

The purpose of the research was to solicit and examine the opinions of a number of Pennsylvania educational and legislative leaders on four issues of critical importance to higher education in the state:

a. enrollment prospects and implications during the decade of the 1980s

b. resource prospects for public and independent* institutions during the 1980s

c. the relationships between independent institutions and state agencies

d. the state level structure for enrollment and resource decision making during the 1980s.

In Pennsylvania, problems associated with enrollment and resource declines, an overbuilt public system of higher education, a multitude of independent institutions, and weak state level structures are likely to have an immediate and substantial impact on higher education. These same issues are important as well to nearly every state in the Union; in the case of the northeastern and many midwestern states, they are crucial at the present time; for others, they should become so as the decade progresses.

There are five sections in the report. In Part I, background to the research is provided by tracing the relationship between institutions of higher education and state government through a review of the research and literature. In Part II, the four major areas of inquiry--enrollments, resources, relationships with independent institutions, and state level planning structures are introduced through a review of the literature specific

*The term independent and private will be used interchangeably throughout this paper.

to each area. Part III contains a description of the system of higher education in Pennsylvania while Part IV includes findings and analysis. Part V includes speculations on possible implications for higher education in Pennsylvania and suggests a number of actions as well as areas for future research.

This research project was conducted in Pennsylvania with the help of a grant from the School of Education Faculty Research Fund at the University of Pittsburgh. The research team for the project included the author of this report and two recent graduates of the Higher Education Program at the University of Pittsburgh, John McAllister and N. Blithe Runsdorf. The author gratefully acknowledges their assistance in the overall design of the study, the conduct of the interviews, and the data analysis. Without their help, a project of this scope would never have been possible.

Dr. John C. Weidman, Director of the Institute for Higher Education provided not only intellectual and moral support for the project, but crucial Institute resources as well. Mrs. Carol Good, also affiliated with the Institute for Higher Education, performed assorted impossible tasks with unfailing cheerfulness and good will

The project also depended on the willingness of many college and university presidents, state agency heads, and legislators to find time in busy schedules for interviews. Their generosity and help were greatly appreciated.

Patricia H. Crosson

Pittsburgh, Pennsylvania
April 15, 1981

PART I

## HIGHER EDUCATION AND STATE GOVERNMENT

During the last decade, much scholarly and media attention has focused on the funding policies and regulatory activities of the federal government in the area of higher education. At the same time, there has also been extensive research on institutions of higher education and their student, faculty and administrative constituencies. At the present time, however, there seems to be growing recognition of the central importance of state governments in the unfolding drama of postsecondary education and comparatively more research attention is being devoted to this branch of government. While state government has always provided the lion's share of resources to support the vast networks of public colleges and universities, there is relatively recent awareness of just how important state level policies can be to operations, programs, and in some cases, the very survival of institutions. As the Sloan Commission on Government and Higher Education (1980) has recently noted:

> The share of total state budgets devoted to higher education has already levelled off, and in a number of states, begun to decline. With college enrollments falling and competing demands for state services increasing, public higher education will find it difficult to get the appropriations it seeks. The decisions the states must make in the impending period of retrenchment will be crucial to the quality and variety of higher education offered the next generation (Sloan Commission on Government and Higher Education, 1980, pp. 14-15).

The four critical issues of concern in this study--enrollments, resources, private/state relationships, and decision making for enrollment and resource planning--are all complex issues which can be studied from a variety of perspectives. They are not only often interdependent, but they overlap at one point or another with almost every other aspect of higher education--mission purpose, programs, products. They share, however, a common denominator in

the broader dynamic of the relationship between higher or postsecondary education and state government. They constitute crucial defining aspects of that dynamic and are in turn shaped by it. This study begins with a broad look at the evolution of the relationship between higher education and state government during the past several decades.

Evolution of the Relationship

The states vary significantly in the fundamental, legal provisions for higher education, particularly with respect to the public sector. In some states there are constitutional provisions for public universities, in most the overall system is delineated in state statutes of variable specificity. In some states, institutions of higher education fall directly under the executive branch of government, in others, they are considered separate and distinct. The respective roles of the governor and legislature vary considerably from state to state (McConnell, 1962).

Despite these differences in formal structure, the informal understandings that characterized the relationship between higher education and state government during the first half of this century were remarkably consistent across the states. The traditional relationship can be summarized by the term "self-denying ordinance," a term of recent origin (Carnegie Council on Policy Studies in Higher Education as noted in Berdahl, 1975) which refers to the historical willingness of state governments to allocate resources for higher education while at the same time delegating to lay governing boards the responsibility for safeguarding the public interest. Even when the states played the primary role in the establishment of new institutions such as teachers colleges and state universities, they preserved the pattern of delegation and noninterference. The "self-denying ordinance" prevailed during a period in which higher education served only a small proportion of the population and required only a small fraction of the state budget.

As the number of students and institutions began to grow dramatically during the 1950s, higher education required ever increasing resources from state revenues. This caused a shift in the basic relationship between higher education and state government--a shift that was evident in both formal and informal patterns.

One of the first evidences of this shift was the increased use of the appropriations process to accomplish policy making concerning higher education. Governors, state fiscal officers, and state legislatures used their power to allocate or withhold resources in such a way as to achieve their desired programmatic purposes (Schmidtlein and Glenny, 1977). Another indication of the shift was a new emphasis on accountability. State agencies established much more stringent controls over the budget process and institutional expenditures. The most obvious evidence of the new order was the emergence of entirely new state level structures with responsibilities for higher education. Statewide boards, councils, or commissions took different forms in different states but their usual mandate was to handle the problems associated with growth in higher education. It became common to talk of "systems" of higher education for each state and to engage in statewide planning. More than the aggregation of plans for each institution, statewide planning envisioned the matching of the educational, training, research, and service needs of the state with the programs provided by the appropriate mix of institutions and sectors of post-secondary education (Paltridge, 1975).

The shift toward state systems of higher education and statewide accountability and planning that took place during the 1950s and 1960s was accompanied by extensive, vociferous, and often acrimonious debate. College and university governing board members, presidents, and faculty saw in the shift a loss of institutional autonomy that posed a threat to academic freedom and the quality of education. Governors, state legislators, and the media emphasized

accountability and the need for tax-supported institutions to respond to the public interest. Those affiliated with new state level structures were caught in the middle. The debate was carried on primarily at higher education conferences and in the journals and public press, but several books and Carnegie Commission Reports were also devoted to the subject.

Much of the theoretical work behind the shift to statewide concerns and the development of new state level structures was produced at the Center for Research and Development in Higher Education at the University of California at Berkeley. Lyman Glenny (1959) studied state level patterns of organization for higher education in twelve states in an attempt to determine the appropriate pattern for coordination. He was primarily concerned with the quality and diversity of the system of higher education in each state and with the ability to maintain freedom, initiative, and autonomy for colleges and universities. He concluded that these concerns were best protected through the establishment of statewide coordinating boards. The idea of a coordinating board--a new lay board at the state level which did not replace existing governing boards but which had responsibilities for statewide planning and policy making in higher education--was new at the time to most states. Most states with any type of statewide board had a consolidated higher education system with a single governing board (or in some cases two - one for junior, one for senior institutions).

T. R. McConnell (1962) also described state patterns of higher education organization and control. Like Glenny, McConnell felt that stronger coordination at the state level was needed in order to allow for more systematic development of higher education.

James Paltridge (1963, 1975) felt that conflict was inevitable between colleges and universities - represented by professional educators on the one hand, and higher education's sponsors and clients; the public, represented by

legislators and governors on the other. He argued for a systems model specifically structured to handle the conflict and felt that coordinating boards could effectively serve this purpose. He, too, was concerned with the problem of institutional autonomy but felt that a coordinating mechanism could protect rather than violate such autonomy. In a study on Wisconsin (1969) he sought to test this assumption but was only able to conclude that the "absence of coordinating authority does not insure institutional autonomy" (Paltridge, 1969, p. 103).

Other scholars who examined the shift in state-institutional relations with its movement toward greater state influence in the affairs of higher education were not nearly so confident about the benefits for higher education. For instance, Malcolm Moos and Francis Rourke (1959) studied the growth of state administrative controls over institutions of higher education and concluded that these controls constitute a direct threat to campus freedom, vitality, and institutional effectiveness. They argued for greater decentralization of authority.

M. M. Chambers (1971, 1974) opposed mandatory statewide coordination because he felt that it would lead to mediocrity in higher education by enforcing a single quality standard across the state, a standard that perforce started from the lowest common denominator. He favored voluntary coordination and studied the mechanisms that had developed in several states during the 1950s. Most voluntary coordinating boards or councils were made up of the presidents of the colleges and universities in the states and thus were different in this respect as well from lay coordinating boards established by state statute.

In a book on governance, Otto Feinstein (1971) also noted the shift toward the state level and the new concept of state systems of higher education. He argued that this development was quite separate from, and might prove inimical

to, more important considerations of quality improvements in higher education and what he called "personalism" or greater attention to the individual developmental needs of students and faculty. He was concerned that statewide governance and control would not allow quality and personalism to be factored into cost calculations for higher education.

The influential Carnegie Commission on Higher Education took the middle road on the issue. In recommending that the states continue their historic role as the primary source of support for public institutions of postsecondary education the Commission recognized the need for an increasingly active role for the state in matters of higher education. They also noted, however, that excessive state control could damage the vital independence of colleges and universities. Their eloquent statement of the case for campus independence bears repeating:

> ...the case for independence largely rests on the professional nature of many of the decisions that must be made, on the need to elicit the devotion and sense of responsibility of the major groups internally involved, on the wisdom of drawing advice and support from interested private citizens, on the costs of partisan, political, and bureaucratic intrusions, on the desirability of having the campus community as one of the checks and balances in our pluralistic society, and on the experience of history on what works best both academically and politically (Carnegie Commission on Higher Education, 1973, p. 24).

In The Capitol and the Campus (1971), the Commission provided specific guidance to states and institutions on how to fulfill responsibilities in the relationship. With respect to the state, they exhorted governors to use wisely their powers over resource allocations and board member appointments, and exhorted legislators to take seriously their role in budget review, appropriations, and in the creation of systems and coordinating mechanisms for postsecondary education. They exhorted institutions to earn their independence by the quality of their performance and the maintenance of neutrality and noninterference in partisan politics. They favored statewide coordinating as opposed

to governing boards but delimited their role to long range planning and consultation with institutions. They opposed giving coordinating boards administrative responsibility and involving them in an additional state level budget review.

In Governance of Higher Education (1973), the Carnegie Commission recommended patterns for distribution of authority between public agencies, including coordinating agencies, and academic institutions. Under public control they include overall policy on admissions, equal access, differentiation of functions among systems of higher education, the allocation of resources and the post audit of their use, and the appointment of trustees. Within institutional control they include the allocation of resources to specific programs and purposes, all personnel and workload decisions, the selection of students, the determination of academic policies on faculty, curriculum, grading, award of degrees, and programs. Innovation is considered a shared responsibility of the state and institutions of postsecondary education.

Relationships for the 1980s

As times again began to change for postsecondary education during the 1970s, an explosive growth turned to slowed growth and stability and forecasts for dramatic declines. The debate about the appropriate relationship between the state and higher education grew more strident and polarized. The enrollment-based budget requests which had justified ever increasing resource allocations during the 1960s and early 1970s began to justify declines. There were questions about the effectiveness of the statewide structures given the new circumstances. John Millett in Higher Education and the 1980s (1978) describes the changing conditions in higher education and gloomy prospects for the 1980s but feels that these conditions make it "indispensable...that there should be a state board of higher education to exercise state leadership in higher

education planning" (p. 21). He notes the growing disillusionment on the part of governors and legislators with statewide and institutional boards because of the squabbling between the two but argues that this is misguided because conflict is an inherent result of each board doing its job. More than most higher educators, Millett feels that state governors and legislators have the authority and responsibility for decision making about the policies and programs of higher education.

Robert Berdahl (1975) noted the changing and immensely more difficult planning problems facing institutions of higher education and statewide coordinating boards and argued that this would necessitate new and different roles and powers for statewide boards. He felt that boards should pay more attention to planning, program review, the development of criteria and procedures for institutional closings and to evaluating the public policy making process affecting higher education.

Lyman Glenny, in 1960 the apologist for statewide planning and coordination, by 1975 discusses the negative consequences for institutions of higher education that result from the proliferation of state agencies:

> Top administrators of colleges and universities increasingly exhaust their planning and management resources in responding to a plethora of executive and legislative staff requests. Little time remains for the educational and program planning and development that must be done if institutions are to survive in the next twenty years (Glenny, 1975, p. 15).

Furthermore, he argues that statewide coordinating boards fail to plan effectively but rather spend their time in information gathering for myriad state agencies and legislative committees. Meanwhile, decisions are being made by legislators and governors which have unanticipated long term consequences for institutions of higher education. Glenny argues for a single statewide agency with planning and coordinating responsibility and direct links to the legislature and governor.

Richard Millard (1976) anticipates problems during the 1980s. He lists four major tension areas in the relationship between state government and higher education that are likely to be exacerbated by problems of stability and decline. These are: control vs autonomy; centralization vs decentralization; the danger of homogeneity; and clarification of levels of administrative responsibility.

The Carnegie Foundation for the Advancement of Teaching (1976), also looks to the relationship between the states and higher education during the years ahead and voices concern over the ability of higher education to remain dynamic, the preservation of the private sector, excessive centralization, rigid controls at the state level, and the erosion of institutional independence at the hands of state and federal government. They encourage state governors and legislators to support innovation in higher education through the funding of incentive mechanisms and they suggest a variety of means for the state to support private institutions so as to maintain diversity and independence. The Foundation opposes detailed regulation by state level boards arguing that the best interests of the state are protected by strong public and private systems allowing free market choices, by an effective budget-making mechanism and by a carefully developed and implemented long range plan. They argue that the erosion of independence can best be stemmed through the explicit creation of "treaties" or policy documents stipulating institutional and state spheres of responsibility. They note in conclusion that "the future of higher education is more than usually dependent on the fiscal resources, on the interest of the people, and on the judgment of the elected officials of the several states" (Carnegie Foundation for the Advancement of Teaching, 1976, p. 20).

The Sloan Commission on Government and Higher Education (1980) argued that institutions, rather than state government, should be able to make the

the necessary enrollment adjustments for the 1980s but they advocated the periodic review of the quality of educational programs to be managed by state level agencies.

The Education Commission of the States (1980) called for a strengthening of state agency powers and greater state involvement in many areas including planning, institutional evaluation and appraisal, program review, and resource allocations.

Patterns of Structure and Governance

While the debate on state control versus campus independence and on the appropriate relationship between the state and higher education continued, state after state acted to reorganize structure and governance for higher education. Separate institutions were brought together into multicampus systems. New systems of community colleges were established. Some states brought all higher education institutions under the control of a single governing board. Others created new coordinating boards for higher education.

The distinction between governing and coordinating boards lies in their authority and relationship to institutions. A governing board, whether of a single institution, a multicampus institution, a system of institutions of similar type, or a statewide system of all public institutions is vested with the authority and responsibility for all decisions and resources within the unit. When a statewide governing board is created, the governing boards of the separate institutions are abolished or changed to advisory boards to prevent duplication of powers. A coordinating board, in contrast, does not replace and assume the powers and duties of governing boards. Rather, they serve as "umbrella" units with responsibilities to assure interinstitutional cooperation, statewide planning, and the effective use of resources for the state as a whole. Under these boards an increasing variety of institutions,

agencies, and commissions concerned with higher education are brought together. They assume the role of intermediary between state government and institutions, a role traditionally ascribed to governing boards but ineffectively played by those bodies as they moved toward stronger advocacy positions for the institutions they served. A coordinating board becomes a regulatory board, however, when specific authorities are delegated to it by statute. Regulatory boards usually have authority for program review and approval, the development of a consolidated budget and, more recently in some states, institutional accreditation and evaluation.

Millard (1976) provides a useful chronology of the developments with respect to statewide boards. According to Millard, prior to World War II, seventeen states had established central higher education agencies, fourteen of which were consolidated governing boards for public institutions and most of which had constitutional status in their respective states. During the 1950s six coordinating boards were established (three of which were changed in the 1970s to governing boards), but the most pervasive development was the creation or strengthening of voluntary associations of institutions and their use by state government for advisory purposes.

During the 1960s, that golden period of growth for higher education, twenty-three new boards were established leaving only three states without one. The basic patterns were set by the 1970s with some adjustments during those years. Millard provides several refinements in the categories making a distinction between coordinating advisory boards and those with regulatory powers in areas of program, institutional licensure, and budget review. He also documents actions in twenty states to modify existing coordinating and/or governing structures.

A federal initiative during this period, Section 1202 of the Education Amendments of 1972, made federal monies available to states which established

postsecondary education planning commissions under certain conditions. Within a few years all fifty states had responded either by redesignating existing boards or commissions, or by establishing new agencies. Millard found, however, that since the federal actions largely followed state initiatives, the major impact of the federal legislation occurred not with respect to planning but in the expansion of the universe of concern from higher education to postsecondary education.

As of 1979, fifteen states have a consolidated governing board for all public institutions (four of which also have a separate coordinating board); seven states have two consolidated governing boards - one for senior and one for two-year institutions (two of which also have a separate coordinating board); thirty-one states have statutory coordinating boards with various powers over programs and budgets; and two states have statewide agencies appointed by the governor (Millard as quoted in Education Commission of the States, 1980).

Research on the States and Higher Education

By the end of the 1960s enough experience with new state level structures had accumulated to inspire some in-depth studies. The first by Robert Berdahl, Statewide Coordination of Higher Education, (1971) was introduced as an examination of the relationship between higher education and state government and of the role of state boards as intermediaries between the two. The focus of the study was on substantive (policy) decision making for higher education, particularly the functions of planning, budget review, and program approval. He starts with the assumption that coordination is inevitable and desirable both from the standpoint of autonomy and the public interest. He seeks to evaluate coordinating agencies by the fairness of their procedures for resolving inevitable policy conflicts. He studies thirteen states in depth

through a series of interviews with governmental officials, coordinating board members and staff, and heads of colleges and universities. His conclusions reaffirm his initial assumptions that "a climate of mutual trust and respect" (p. 17) between higher education and state government can be promoted best through wise use of statewide coordinating agencies. While he maintains that each state must determine for itself the specific type of coordinating agency, he argues, on the basis of his research in the thirteen states, for a strong independent staff, a strong lay membership, strong academic advisory committees and strong powers in planning, program review, and budget review.

Palola, Lehmann, and Blischke (1970) studied the impact of statewide planning on institutions of higher education. Statewide planning was defined broadly as state level efforts to suggest solutions to existing and future problems and needs, to establish resource allocation priorities, and to delineate an overall pattern for higher education. From the theoretical perspective of interorganizational networks, the authors analyzed the degree of differentiation, distribution of authority, and type of planning in four case states. On the positive side, they found that statewide planning had controlled some of the campus expansionist tendencies, yet extended educational opportunities, had promoted differentiation, and had justified the increasing operating and capital budgets. On the negative side, they found that statewide planning had not eliminated unnecessary duplication or obsolete programs, had failed to promote cooperative efforts between institutions or integrate the public and private sectors, and had given insufficient attention to issues of equality, excellence, substance, and basic purposes. The authors noted that statewide planning had involved a formal loss of autonomy for colleges and universities, but during the period of their study, institutions maintained informal autonomy and could chart their own course with the new

resources obtained as a result of dramatic growth. They noted that colleges and universities might lose that informal autonomy in the future.

The Carnegie Foundation for the Advancement of Teaching in the study noted earlier (p. 96) on the relationship between state government and higher education seeks to develop a "report card" on the conduct of the fifty states toward higher education. They point out those states with excess capacity in teacher training, Ph.D. production, and medical and health science training and identify those states with deficits in open access places and state scholarship programs. They report, state by state, on taxpayer "effort" on behalf of higher education (measured by the percent of state personal income spent by state and local government on higher education), on "concern" for student programs (measured by expenditures per FTE student in public institutions); and on "competitive position" (expenditures on higher education as compared to other types of expenditures). The result is a detailed, public, and comparative assessment of each state's commitment to higher education.

There are no recent research studies on the broad question of the relationship between state government and institutions of higher education. Recent research has tended to focus more narrowly on specific aspects of the relationship such as the resource allocation process (Glenny and colleagues, 1973-1976); program review by state level agencies (Barak and Berdahl, 1977); statewide planning (Halstead, 1974); issues of management efficiency (Harcleroad, 1975); and on other topics. But the broad question continues to be of interest and is featured prominently on the agenda at higher education conferences and meetings (Hughes, 1975) and in the work of higher education commissions and councils (Carnegie Council on Policy Studies, 1980; Sloan Commission on Government and Higher Education, 1980; Education Commission of the States, 1980).

The Carnegie Foundation for the Advancement of Teaching is in the process of a major study of governance which will focus on the relationship between colleges and universities and the state. An eighteen member panel has been established as well as a staff and the study should be completed by 1982. In announcing the study, the Carnegie Foundation president, Ernest J. Boyer noted:

> An unhealthy tension has developed between the nation's higher learning institutions and government. There is a deep running feeling that these two enterprises are on a collision course, and as enrollments decline and dollars shrink, the conflict threatens to get worse (American Council on Education, 1980, p.5).

## PART II

## ISSUES FOR THE 80s

The relationship between state government and higher education has been and will continue to be significantly affected by each of the four areas of concern to this study--enrollments, resources, private/state relationships, and overall structure for decision making. Each will place additional strains on already difficult relationships. This section reviews each of these areas through references to recent higher education research and literature. For each area, it also provides specific information with respect to Pennsylvania.

### Enrollments

What will happen to college and university enrollments during the next two decades is a question of considerable national and local interest. Indeed, many see it as the most important current and future issue for higher education in Pennsylvania, an issue of survival for many institutions in the state.

More than a decade ago, scholars of higher education woke up to the fact that while a bulge in the post World War II birthrate produced dramatic enrollment increases during the 1960s and 1970s, a decline in the birthrate during the late 1950s and 1960s augured significant declines for the 1980s and 1990s. Enrollment projections began to appear in the literature. The projections were based on the size of the traditional age cohort and assumptions about the percentage of persons in that cohort who would choose to pursue post-secondary education and on predictions about how many adults would enroll in formal educational programs. In both cases, projections are difficult

because so many economic, social, and motivational variables are involved in individual educational decisions and these variables change over time. An intense debate on assumptions and projection methodology was begun which continues today. National projections call for anywhere from a 50 percent decline (Dresch, 1975 and Froomkin, 1974) to a doubling or tripling in size (Bowen, 1974) for various future periods.

A recent comprehensive treatment of the subject of enrollment for higher education is contained in Three Thousand Futures, the final report of the Carnegie Council on Policy Studies in Higher Education (1980). In preparation of their report, the Council used a variety of national data sources, commissioned many special studies, and relied as well on the best judgments of the experienced council members.

The Carnegie Council on Policy Studies predicts a 5 to 15 percent overall decline in undergraduate FTE enrollment between 1978 and 1997. The report includes a useful description of the process for arriving at this prediction. They started with known numbers, the number of youths in the college age population for each year from 1978 to 1998. They then applied the current (1978) participation rates for each age, sex, race group to the population numbers for each future year. This "base-line set of numbers" (p. 155) was then adjusted according to predicted changes in enrollment rates for each population group based on historical trends and anticipated future conditions. They anticipate no change in participation rate for majority males and increases for both majority women and blacks resulting in an overall adjustment of +9 percent to their constant rate projections. They also predict moderate increases in adult enrollments based on dramatically increased numbers in the population and increased numbers of persons with some college experience. When these increased participation rates are applied to the declining youth

population numbers, the result is an anticipated 5 to 15 percent decline in FTE undergraduate enrollment.

The Carnegie Council on Policy Studies also disaggregated the projections in order to examine implications for various types of colleges and universities and different locations. Such disaggregation is increasingly recognized as essential for state level and institutional planning purposes. The Council argues that the less selective liberal arts colleges will be the most vulnerable category of institutions (although they recognize some exceptions even within this category). The Council examines national averages and state data and predictions on college-age population, numbers of high school graduates, college attendance, student migration, and population changes and migrations. They predict that the East, particularly the Northeast, will face serious declines while the Southwest and West will be favored. Pennsylvania is one of the six states for which they project "much worse than average" (p. 71) enrollment decline.

Demographic data for Pennsylvania provides ample cause for pessimistic enrollment projections. The Master Plan for Higher Education in Pennsylvania, 1978 cites Pennsylvania Department of Health Statistics for its conclusion that the number of college-aged youths 18-22 will drop by about 24 percent between 1975 and 1990. It points out further that this decline can only be partially offset by adult students because although the number in age categories 23-35 and 36-45 will grow by 25 percent and 34 percent respectively, this rate of growth is significantly lower than national trends and it normally takes three adults (enrolled on a part-time basis) to provide the equivalent of one full-time student. The overall population of Pennsylvania is expected to decline by about one percent by 1990 and the historic out-migration of young adults is likely to continue.

The Pennsylvania Department of Education is decidedly more optimistic. In Conditions of Education in Pennsylvania (1978) they project a 10 percent decline in FTE enrollment between 1980 and 1987. They assume stable participation rates but predict that a dramatic increase in part-time enrollments (drawn primarily from the adult population) will partially offset the anticipated decreases in full-time undergraduates. By segment, the Department projects declines in three sectors - private colleges and universities, state-related institutions, and the state colleges and university. They anticipate that the independent colleges and universities will experience the most severe declines. They project a slight increase in enrollments for the community college sector.

The Pennsylvania Department of Education report includes discussion of the decidedly more negative projections for Pennsylvania of Robert Newton who argues, in accord with an enrollment projection model developed by Stephen Dresch (1975), that a downturn in the economy, lower rates of return on the educational investment, and the lower relative earning power of college graduates will work together and result in dramatic declines in participation rates over the next twenty years.

Resources

What will happen to college and university resources during the next two decades is another question of immense local and national interest. During the period of rapid enrollment increase in higher education, total resources available to colleges and universities increased even more dramatically. The fear is that resources will decline commensurate with enrollment decline even though instructional and operating costs will increase.

Many scholars and practitioners have studied resources in higher education focusing on cost and price determinations; federal and state appropriations;

tuition policies; grant, gift, and endowment income; and any number of other specific items. Despite extensive national research efforts and mounds of supportive data submitted with budget requests at all levels, it has proven impossible to determine in an objective way the overall actual resource needs for higher education. There is too much variety in missions, purposes, functions, programs, faculties, physical plants, etc. and too few ways of measuring quality. Given this, what you have is what institutional budget officers, presidents, and governing boards say they need as compared to what federal, state, and other sources of support are willing to give. There have also been comparative studies of declared resource needs and available resources among institutions of similar type and size, among regions and among states. These comparative studies are then used by the lower ranking institutions, regions, or states to argue for more resources to achieve parity with higher ranking institutions, regions or states. Thus is set in motion a pattern of argumentation for greater resources which never ends because it is based on comparative data. Despite this, interstate comparisons are still the most useful, and widely used, means of measuring state performance vis-a-vis higher education.

Three recent and influential sources of interstate comparisons are found in the work of M. M. Chambers (1980); of Marilyn McCoy and Kent Halstead for the National Institute of Education and the National Center for Higher Education Management Systems (NCHEMS) (1979) and the Carnegie Council on Policy Studies in Higher Education (1980). The most frequently used comparative measures include total state appropriations per capita of population, appropriations per $1,000 personal income, and appropriations per full-time equivalent (FTE) student. Using any of these measures, Pennsylvania has not fared well during the past several years.

Chambers provides data on total appropriations of state monies for the operating expenses of higher education on an annual basis and examines two-year and ten-year trends in appropriations. This information is reported in a timely fashion in the Chronicle of Higher Education (Vol. XXI, No. 8, October 4, 1980). For fiscal year 1980-81, Pennsylvania ranks sixth among the states in overall dollar amounts appropriated for higher education. This provides an indication of the size of the state and of the system of higher education. (It should be noted that Chambers uses appropriation data from legislative budget acts, signed by governors, but there are often discrepancies with monies received.) In terms of change over the two-year period, however, Pennsylvania's change of 6 percent is by far the lowest, ranking it 50th among the states. When adjusted for inflation, the result is an overall decrease of 10 percent in appropriations over the two-year period. Over a ten-year period, Pennsylvania experienced a 140 percent increase in appropriations, which when adjusted for inflation represents only a 21 percent increase and ranks Pennsylvania 43rd among the states.

Another measure of state performance is appropriations per capita of state population. The Carnegie Council on Policy Studies (1980) provides per capita appropriations data for 1967-68 and 1976-77 (using NCES data on actual monies received). In current per capita dollars, Pennsylvania appropriated $15.28 in 1967-68 and $48.54 in 1976-77 an increase of 218 percent. In constant per capita dollars, the amounts were $26.36 and $48.54 respectively, an increase of 84 percent. Among the states in 1976-77, Pennsylvania ranked 44th in appropriations per capita. Among the states in 1976-77 in terms of comparisons of percentage change from 1967-68, Pennsylvania ranked 15th.

Chambers' data, although not strictly comparable to Carnegie Council data, provides the most recent per capita appropriation figures. In 1980-81

the Pennsylvania appropriation per capita was $63.26, and the state ranked 45th among the states on this measure.

A third measure used to assess state support of higher education is a comparison of state appropriations for higher education per $1,000 of personal income of state residents. This is used because it tends to reveal the relative wealth of the state and hence the capacity to support higher education. Carnegie Council data for 1976-77 ranks Pennsylvania 17th among the states in personal income per capita but 44th among the states in terms of the percent of that income that is spent on higher education. Chambers' data for 1980-81 ranks Pennsylvania 47th among the states in appropriations per $1,000 personal income. It is possible to conclude from this that although Pennsylvania is a relatively high income state, it is not particularly generous in support of higher education.

Those who believe that Pennsylvania has not provided adequate resources for higher education frequently cite Chambers and other state comparisons of total appropriations, appropriations per capita, and appropriations per $1,000 personal income. Pennsylvania ranks very low on all measures. Those who defend Pennsylvania's level of support for higher education note that the rankings reflect the overall structure of higher education in the states. States with large numbers of private institutions and with a large proportion of their population in private institutions will naturally spend less overall and per capita on higher education than those states with large and predominant public systems. This fact was noted by the Carnegie Council on Policy Studies (1980) and by McCoy and Halstead (1979). Using 1978 data from Chambers and other sources, McCoy and Halstead point out that Pennsylvania ranks 50th among the states in the number of FTE public postsecondary education students per high school graduate and 50th in the number of FTE public postsecondary

education students per 1,000 population. (For both indexes, state-related institutions are considered public institutions.) Using 1976 data (based on actual revenues received) they note with respect to Pennsylvania:

> Because of the smaller size of the public system, the per capita drain on the population for public higher education ($37 per person - 1976) is about 40% less than average. In part, the state compensates by providing an additional $9 (1976) per person in tax dollars to provide student aid and support to independent institutions. However, the level of tax support to higher education is still below the U.S. average. (McCoy and Halstead, 1979, p. 116).

Those who defend Pennsylvania's level of support for higher education also tend to use other measures for state comparisons. They believe that a comparison of state expenditures per FTE student provides a better indication of the kind and level of educational services actually available to students. The Carnegie Council on Policy Studies provides Pennsylvania information for 1971-72 and for 1976-77. In 1971-72, the state expended $2,240 per public FTE student, $506 per private FTE, and an overall total per FTE of $1,479. In 1976-77 the amounts were $2,211 per public FTE, $578 per private FTE, and $1,523 overall. When the 1976-77 data are used for comparisons among the states, Pennsylvania ranks 37th in total expenditures per FTE, 23rd in expenditures per FTE public student, and 1st in expenditures per FTE private student. Obviously, Pennsylvania fares considerably better on this measure of support. When the percentage change in support per FTE between 1971-72 and 1976-77 is examined, however, Pennsylvania exhibits only a 3 percent increase in expenditures, considerably below the average increase of 10 percent giving it a ranking of 42nd among the states. Conditions of Education in Pennsylvania (1978) uses Chambers 1978-79 appropriations data from the Chronicle of Higher Education and NCES enrollment data for 1977 to show an average state appropriation per public FTE student of $2,941. This figure is then compared to the U.S. average, $2,638, and with various geographical regions to show "that only

the Northeast as a whole exceeds the Pennsylvania costs per FTE student. Again, this suggests a high cost (inflation?) problem that is characteristic of Northeastern states in general" (p. 109). Later, it was also pointed out that the collective bargaining agreement with the state college and university sector also contributed to the increasing costs per FTE student.

It is interesting to note the shift in attitude that has occurred here. From a comparison of expenditure with a high expenditure indicating a positive state effort on behalf of higher education, we have shifted to the concept of cost per FTE student in state tax dollars so that a low expenditure indicates an ability to contain costs. This shift is indicative of changing state attitudes and relationships with higher education.

Relationships Between Independent Institutions and State Government

From the early 1970s, the health and welfare of private colleges and universities in the U.S. began to be an issue of primary concern to many interested in higher education. The concern was felt for the individual colleges and universities experiencing fiscal difficulty and also for the principle of diversity in higher education. For many people diversity and choice are important and unique characteristics of American higher education and they depend on the existence of both privately and publicly controlled colleges and universities. The question of whether federal and/or state governments should help private institutions became an important public policy question of interest to taxpayers, elected officials, and educational leaders in both private and public sectors. As a consequence the relationships between private higher education and state government became more important and more controversial.

Many studies on the relationships between private higher education and state government and on the public policy questions appeared during the 1970s.

Some documented and analyzed the financial condition of private colleges and universities and pointed out the many problems involved in accurate assessments of financial conditions (Cheit, 1971, National Commission on the Financing of Postsecondary Education, 1973, and Bowen and Minter, 1975). Others suggest various solutions to the problems - high tuitions in the public sector and more subsidies for low income students (Hansen and Weisbrod, 1969, Carnegie Commission on Higher Education, 1973 - later modified); tuition equalization grants for private institutions (Carnegie Council on Policy Studies, 1975); tuition tax credits; increases in BEOG (Basic Educational Opportunity Grants) and SEOG (Supplementary Educational Opportunity Grants) ceilings--and other measures. There remains extensive disagreement about appropriate solutions.

Berdahl's (1971) study on statewide coordination was one of the first to raise the question of the relationship between private institutions and statewide coordinating boards. He concluded from his review of coordinating boards in six states that coordinating agencies would play "the central role" (p. 216) in the relationship but that much work in policy development for this area was needed.

The Carnegie Council on Policy Studies (1977) studied the impact of state policies toward private higher education on enrollments, finances, autonomy, academic freedom, and other conditions and made twenty-one recommendations for state policy. They felt that the state had the obligation to preserve and strengthen the private sector but in ways that would protect their autonomy. They did not believe there was an acute financial crisis calling for massive infusions of state monies and, therefore, opposed tuition increases in the public sector and special institutional assistance grants. They felt that the major approach to public support for private higher education should be through improved student aid policies which would provide students with enough

resources to afford a choice and through contracts or categorical grants for selected programs and purposes. They argued that state governments should develop long-range policies for private higher education in the context of their statewide planning activities.

Chronister (1978) was interested in the question of how much voluntary or obligatory cooperation was needed from independent colleges and universities in statewide planning. He found that most states had developed mechanisms for involving independent colleges and universities in state planning but that the question of the extent to which independent colleges would be bound by planning decisions was a sensitive and controversial question. The most important relationship issues identified in the study included state aid to independent institutions; questions of competitition, duplication, and cooperation; prospective enrollment declines; and the role of the independent sector in planning. Chronister concluded:

> Findings in this study indicate that in a number of states the operational relationships which exist between the state and the independent sector are not conducive to a planned resolution of issues. Divisiveness over aid to the independent sector in times of financial stringency, concerns with planning agency authority and institutional prerogatives in decision making and uncertain political situations in several states are identified factors which are precluding positive action in addressing comprehensive planning issues in more than a few states (Chronister, 1978, p. 4).

David Breneman and Chester Finn edited an influential Brookings study, Public Policy and Private Higher Education (1978) which reviewed all the evidence on the financial prospects for private higher education and reviewed existing federal and state policies and a wide variety of policy options for both levels of government. The final chapter of the book was written by the editors. In it, they advocate a national student marketplace accomplished through a gradual shift toward student aid as the primary form of support for higher education at both federal and state levels. For the short run

they suggest that the federal government continue to support higher education through need based student aid programs while it develops national policy in this area for implementation with incentives for the states. They recommend that the states strive to narrow the tuition gap between public and private institutions either through increases in public sector tuitions or increases in aid to private institutions so as to make tuition decreases possible. They leave to the states the determination as to which option best suits existing circumstances and problems. For all states, however, they recommended comprehensive state planning that embraces public and private campuses.

Pennsylvania is second only to New York in the total number of independent colleges and universities. It was noted, above, that Pennsylvania leads the nation in per student support to private sector institutions because of the size of the student aid and institutional assistance grant programs. Pennsylvania is unique in having a special category of state-related universities.

The independent colleges and universities of Pennsylvania vary considerably in size, in quality, and in basic financial health. Some can be considered troubled institutions, others are far more financially secure than their public counterparts. Most independent colleges and universities face the prospect of serious enrollment decline during the 1980s as noted in the subsection on enrollments. Both enrollment and resource prospects for the 1980s bring to the surface important questions about the relationships between private colleges and universities and state government.

Structure and Organization

As described in Part I, much of the research and study associated with the relationship between higher education and government has addressed questions of organization and structure. While a few states had moved earlier to create state level boards and agencies concerned with higher education, during the

1960s and the early 1970s the bulk of the states acted to create some form of intermediary entity between the legislative and executive agencies on the one hand and the separate colleges and universities on the other. The precise structure and powers and responsibilities varied from state to state and this was expected given the different traditions and systems of higher education in the various states. Whether coordinating or governing, regulatory or advisory, however, they were usually expected to bring together the various institutions in the state - public and private - to develop comprehensive plans for higher education and to recommend policies in the best interests of higher education. Those who studied these boards usually avoided the difficult questions of whether the structure and organizations were appropriate and of impact on colleges and universities and sought to assess adequacy in terms of fair representation, master planning, and efficiency.

Many have argued that the trend toward centralization of power over higher education at state levels will seriously undermine traditional independence and foster educational mediocrity and the lowering of standards and quality. Others, concerned with the difficult decisions that will be needed during the 1980s, argue that a broader state view is necessary, even if it means centralization, to ensure that educational resources are used effectively. Others wonder if statewide boards and agencies are up to the task.

All sides to the debate have voiced concern over the public interest, institutional independence, diversity in higher education and educational quality and excellence. Harold Enarson (1975) likens the search for the public interest to the search for the holy grail and talks about the tendencies of legislators, state agency officials, board members, and college and university presidents to wrap whatever they want to do in the "cloak of the public interest." He points out that the big centralized systems have

often produced mediocrity and bureaucracy and stifled creativity and that they run the risk of becoming highly politicized but he thinks it is not possible to return to simpler, less complex structures. He concludes:

> Perhaps all this is to say that the coordination of postsecondary education far transcends an exercise in contriving new management structures. We deal necessarily with the larger art, state craft itself. (Enarson, 1975, p. 26).

The Sloan Commission on Government and Higher Education (1980) argues that the most important tasks for the states during the next decade will be how to adjust capacity to demand without sacrificing essentials and that the decisions will be very important to the quality of higher education. They recommend first that the composition of higher education boards be strengthened to include competent and respected lay members who will be influential and able to consider the health of the entire system. They recommend five interdependent ways of dealing with retrenchment:

1. Each state should examine the structure of its entire system so that the mission of each institution and its place and weight in the system is clear.

2. Each state should make periodic quality reviews of all public individual colleges and universities.

3. The allocation of state appropriations should reflect these reviews. The formulas on which they are presently based need revision.

4. The traditional state policy of supporting the flagship research universities is wise and should not change.

5. All institutions in a state, public and private, should be licensed in order to prevent fraudulent or deceptive practices. (Sloan Commission on Government and Higher Education, 1980, p. 99).

Harcleroad (1975) opposes the creation of cabinet positions in state government for higher education. He thinks that this changes the status of higher education, moving it from a fourth and independent branch of government squarely into the executive branch of government under the control of the

governor. In Pennsylvania the close relationship between the Secretary, the Pennsylvania Department of Education, and the State Board of Education in terms of responsibilities and staffing relationships has the effect of drawing the State Board of Education, too, more closely into the executive branch of government.

A decade ago, Eulau and Quinley (1970) surveyed the opinions and expectations about higher education of policy makers in nine states, including Pennsylvania. In Pennsylvania they found little evidence of communication between or among colleges or universities whether public or private and were surprised at the lack of coordination in the state. Neither the executive nor the legislative branches of government were providing guidance or initiative in higher education. They concluded that greater coordination and control of higher education planning and appropriations were needed.

Although the Master Plan for Higher Education in Pennsylvania, 1978 contains some modest recommendations for changes in roles and responsibilities of various state level agencies (Crosson, 1979), there have been no studies of the basic structural arrangements in the state. The current structure for postsecondary education in Pennsylvania is described in Part III.

## PART III

## THE PENNSYLVANIA SYSTEM OF POSTSECONDARY EDUCATION

The evolution of the relationship between the state and higher education in Pennsylvania has been consistent with the overall patterns described in Part I. From colonial days onward there was strong support for the concept of higher learning and an unusually large number of private institutions were chartered - and over the years supported in various ways - by the state. The Pennsylvania State University, originally chartered as a private institution gradually evolved a special relationship to the state as the agricultural college and designated land grant institution. Between 1913 and 1922 the state purchased a number of private normal schools as a base for a system of state teachers colleges - later expanded to comprehensive institutions and a state college and university sector. Later a system of public community colleges and state-related universities were added. At the present time, the system of higher education includes the following:

### Community Colleges

The system of community colleges originated with a 1963 statute which provides that the institutions be jointly supported by state government and local sponsors. Although twenty-eight colleges were envisioned for the system, one within commuting distance of every citizen in the Commonwealth, current plans do not call for any expansion of the system beyond the current fourteen institutions. Each college has a board of trustees, a governing board accountable to the local government sponsors of the college. There is a Federation of Community College Trustees and a Community College Coordinating Council.

State Colleges and University

The former state teachers colleges have been organized into a system including thirteen state colleges and one state university - designated the State Colleges and University sector. These institutions are wholly owned and operated by the state. Their stated purpose is to provide higher learning in arts and sciences, humanities, teaching, and other professions, graduate studies, and research. Over the years they have evolved into comprehensive institutions offering a range of undergraduate and some graduate programs. One of them, Indiana University of Pennsylvania, was granted full university status in 1965. It offers a few master's level and doctoral level programs.

A 1970 amendment to the Public School Code of 1949 established the Board of State College and University Directors, a lay board whose members are appointed by the governor to plan for and coordinate the development of the state colleges and establish broad fiscal, personnel, and educational policies. The Board of Directors is advised by a Board of Presidents representing each of the institutions (each institution also has a lay Board of Trustees, but these boards report to the president and have advisory powers only). The Board of State College and University Directors is considered a departmental board and its chief executive officer, by statute, is the Secretary of Education. For this reason, effective governance of the system rests with the Secretary of Education, the State Board of Education, and the Pennsylvania Department of Education. Faculty members in the state colleges and university are organized for purposes of collective bargaining into the Association of Pennsylvania State College and University Faculties.

There have been numerous attempts during the past several years to reorganize the governance system for the State College and University sector. A bill introduced in Spring 1980 and widely supported by the higher education

community would have abolished the Board of State College and University Directors, transferred all state colleges into universities, and created a new governing board for the system with a Chancellor as chief executive officer. The effect would be to remove responsibility for governance and day-to-day operations from the Secretary of Education and the State Board of Education. The effort failed but seems to be gaining momentum, and it is likely that the bill will be reintroduced.

State-Related Universities

During the 1960s, at a time when other states were establishing not only community and state colleges, but new systems of public universities as well, Pennsylvania responded to the demand for access by granting special status and significant financial support to a number of private institutions. Conferring state-related status was viewed as a means of improving and strengthening higher education as well as a mechanism for extending educational opportunity. Pennsylvania State University had long had special status and support by virtue of its designation as a land grant institution and by an Act of 1905 which added certain public members to its Board of Trustees. In 1965 and 1966, respectively, Temple University and the University of Pittsburgh, both old, large, privately chartered institutions became instrumentalities of the Commonwealth even as they were allowed to continue as corporations governed by Boards of Trustees independent of state control. Their Boards of Trustees were expanded to include public and ex-officio members and they were required to provide certain information on enrollments, salaries, faculty activities, and the like in order to qualify for resource allocations equalling, in both cases, approximately thirty percent of their instructional budgets. In 1972, Lincoln University, in recognition of its special role in preparing young people to work with the disadvantaged, was also given state-related status. Coordination

among the state-related universities is achieved through frequent meetings of the Presidents of the four institutions.

Together the state-related universities provide a substantial share of the higher education in the state. Of a total enrollment (full- and part-time) of 498,173 in Fall 1979, the state-related universities accounted for 128,667 students or 25.8 percent (Pennsylvania Department of Education, 1980). Of the total direct state government appropriation for all institutions of higher education in 1978-79 ($515,642,586), 48.9 percent ($252,224,939) went to the state-related sector (October, 1980 letter from Department of Education providing preliminary figures).

State-Aided Colleges and Universities

State-aided institutions comprise another category of institutions unique to Pennsylvania. The twelve institutions in this category are independent institutions each possessing a nonprofit corporate charter conferred by the Commonwealth (see description of independent institutions below). Each institution, however, annually applies for and historically has received a direct appropriation from the state. In 1978-79, 7.6 percent of the total state government appropriation for all institutions of higher education went to all state-aided institutions. The state appropriation, however, is only a small percentage of the total current fund revenues of these institutions (October 1980 letter from Department of Education providing preliminary figures), and for all practical purposes they consider themselves independent. The underlying rationale for the category is that state-aided institutions offer certain programs, related to medicine, agriculture or veterinary medicine, as well as other areas, that are needed and that the state is, in essence, "contracting" with the institutions so that the programs will be available

for state residents. In contrast to the arrangements with the state-related institutions, the appropriation is not accompanied by any change in the institutional charter or the authority and composition of the Board of Trustees.

Independent Colleges and Universities

There are 105 independent colleges and universities in Pennsylvania including seminaries and private junior colleges. Each holds a nonprofit corporate charter conferred by the Commonwealth and each is governed by an independent Board of Trustees fully accountable for the operation of the institution. The institutions range in size from less than 100 students to 9,500 at Villanova University. They include the full range of programs, degree offerings, and institutional types. Fall 1979 total enrollments for all independent colleges, universities, seminaries, and private junior colleges (excluding state-aided institutions) was 153,366 (Pennsylvania Department of Education, 1980). Coordination among the independent institutions is achieved through the Commission for Independent Colleges and Universities.

The charters of the independent institutions vary in the amount of latitude allowed the Boards of Trustees to determine program and degree offerings. The older institutions generally have very broad charters and their trustees have full latitude to determine program offerings. More recently established institutions have more restricted charters granting program authority in certain areas and educational levels. Institutions with restricted charters must seek approval from the Department of Education to offer programs beyond the limitations of their charters. These differences in charter status and program authority produce basic differences in the relationships with the state.

Pennsylvania has long been proud of its large, diverse and often distinguished independent sector and has long provided various forms of financial

support to independent institutions. At the present time there are two major sources of support: support for students through grants and loans and aid for institutions through institutional assistance grants. 55.1 percent of the Pennsylvania residents in independent institutions in the state receive grant and/or loan support through the state program (The Pennsylvania Higher Education Assistance Agency). The Institutional Assistance Grants program was begun in 1974 to help financially strengthen independent colleges and stem the tide of annually increasing educational costs. Colleges and universities eligible for the grants are those chartered in the Commonwealth, nonprofit, nonsectarian, and nondenominational. The grant is a set payment, established by state statute and periodically changed, per academic year per enrolled state higher education grant recipient. The current grant is almost $450 per student grant recipient and the state spent $15,051,000 on the program during the 1980 fiscal year. Compared to other states, Pennsylvania is very generous with its independent higher education sector.

Specialized Associate Degree Granting Institutions

There are fifty such institutions in Pennsylvania offering a wide variety of career related programs. Most of the institutions in this category are proprietary although some have nonprofit corporate charters from the state. Although Pennsylvania considers these institutions within the universe of postsecondary education, they do not receive direct state support. For this reason they were not included in this study.

As the number of institutions has grown over the years and as each sector has strengthened its relationship with the state, new or expanded boards, associations, or agencies have appeared with responsibilities for planning, coordination, administration of programs or governance. The major state level bodies in Pennsylvania include one voluntary association and several statutory agencies.

Pennsylvania Association of Colleges and Universities (PACU)

PACU was founded in 1896 as a voluntary association of college and university presidents and remains active to this day with a membership comprised of 118 college and university presidents. The purpose of the association is to promote the welfare of higher education in Pennsylvania. Contact and coordination with and among institutions is achieved through an executive committee and four commissions, a commission for community colleges, commonwealth universities, independent colleges and universities, and state college and university. Contact and coordination with state government and state education agencies is undertaken by an executive director and a government relations committee. PACU is an active and influential participant in legislative affairs.

State Board of Education

The State Board of Education is a lay board appointed by the governor, with the advice and consent of the Senate. Although some form of lay board has existed for many years in Pennsylvania, there have been several reorganizations and alterations of authority and responsibilities. The current mandate stems from the Pennsylvania School Code, (Public Law 177), Act 94 (1963) and Act 224 (1972). Act 94 created the State Board as a lay board of seventeen members and it created two councils, a Council of Basic Education and a Council of Higher Education, each composed of eight members of the State Board. Much of the work in higher education originates in the Council of Higher Education which reviews budget requests, investigates programs, conducts research and planning studies, and formulates policy proposals for the State Board of Education. There is an Advisory Committee to the Council of Higher Education composed of representatives of all the sectors of higher education in the state. The Advisory Committee serves to foster communication between institutions and the Council of Higher Education.

The State Board of Education, as stipulated in Act 94, Public Law 177, "Reviews the policies, standards, rules, and regulations formulated by the Councils and adopts broad policies and principles and establishes standards governing the educational program of the Commonwealth." Act 224 added further powers and responsibilities to Public Law 177, authorizing the Board to formulate policies for applications for university status among state colleges, requests from independent institutions for state-aided or state-related status, the establishment of new professional schools or the establishment or discontinuance of branch campuses in the state supported sector.

The State Board of Education in effect serves as the governing board for the State College and University sector (see State College and University sector) and as the coordinating board for all higher education in the state. It has approved several Master Plans for higher education, the most recent of which is the 1978 Master Plan prepared by the Pennsylvania Postsecondary Education Planning Commission for the Council of Higher Education. The Master Plan is a status report on the condition of higher education in the Commonwealth which includes mission statements for each of the sectors of higher education and thirty recommendations addressed to the legislature, various state agencies, and institutions of higher education. Master Plan recommendations are currently being implemented in the state with mixed success (See Crosson, 1979).

The State Board reviews the budget requests of all higher education institutions seeking state support and recommends approval or disapproval. The Board's recommendations, together with their comments are forwarded to the Budget Secretary and to the General Assembly.

Secretary of Education

The Secretary of Education is one of seventeen cabinet level officers in the state and is appointed by and serves at the pleasure of the governor. The

Secretary is the chief spokesman for all education in the state. The Secretary serves as an ex-officio member of the State Board of Education, as the chief executive officer of the Board of State College and University Directors, as an ex-officio member of the Boards of Trustees of state-related universities and as an ex-officio member of the Board of Directors of the Pennsylvania Higher Education Assistance Agency. The Secretary is also the chief executive officer of the Pennsylvania Department of Education.

Pennsylvania Department of Education

The Pennsylvania Department of Education is a large state agency responsible for all levels of education in the state. It administers the Pennsylvania School Code and all policies established by the State Board of Education. It provides the staff work for the Council of Higher Education and the State Board of Education necessary to the coordination of all higher education in the state, the development of master plans for higher education, the licensure and approval of programs in teacher education, and the review of budget requests of the state college and university, the state-related and the state-aided sectors of higher education. Because of its staffing responsibilities for the State Board of Education and the Board of State College and University Directors, the Pennsylvania Department of Education is heavily involved in the day-to-day operations of the fourteen institutions in the State College and University sector. The Pennsylvania Department of Education also conducts research studies and gathers and disseminates information about education in the Commonwealth.

Pennsylvania Higher Education Assistance Agency (PHEAA)

The Pennsylvania Higher Education Assistance Agency was created in 1963 by the legislature to administer the student loan programs in the state. Its

powers were expanded in 1966 to administer state scholarship and work study programs and again in 1972 to handle institutional assistance grants. The agency is governed by a Board of Directors which includes House and Senate representatives and gubernatorial appointees.

Pennsylvania residents enrolled in all types of postsecondary educational institutions are eligible for PHEAA grants and loans if they satisfy the need criteria. They can use the grants for study in out-of-state institutions. (In the case of contiguous states there must be reciprocity portability agreements.) Pennsylvania is a recognized leader in the "freedom of choice" philosophy for students.

The Pennsylvania Higher Education Assistance Agency defines student need as the educational costs less the family's expected contribution. Where the family income is less than $8,000, one-half of the student need amount is met by state grant aid and one-half by a combination of loans and work-study programs. Where the family income exceeds $8,000, one-third of the need amount is met by state grant aid, one-third by loans, and one-third from student work contributions.

As compared to other states, Pennsylvania has been very generous in its student aid programs. This has helped students afford the high tuition costs at the private institutions in the state and the comparatively higher tuition costs at state-owned and state-related institutions. The significance of the institutional assistance grant program was noted in the section on independent colleges and universities.

Regional Coordinating Councils

Regional Coordinating Councils are voluntary associations of institutions of all types in a given geographical area. There are currently ten regions in Pennsylvania, eight of which are served by regional councils.

The regional council concept was endorsed by the Pennsylvania Department of Education and by the State Board of Education in 1973, but the Councils are autonomous bodies which establish their own goals, structures, and practices. In general, they strive to foster communication, planning, and the more effective use of resources.

Funding for council activities has been a continual problem. For several years they received small allocations from the Pennsylvania Department of Education, a portion of the federal 1202 planning monies allocated to Pennsylvania. The Department of Education intends to drop the 1202 allocations and wants to add an item in its budget request to the state which would provide resources for the councils. The councils, however, fear the controls that will be exercised by the Department as a consequence of the state allocation and want to preserve the autonomy and independence of operation of the councils. Several councils charge member institutions a small fee for member services, but funding problems have led to the closure of two of the regional councils and an uncertain future for the rest.

Pennsylvania's system for postsecondary education is large and complex, including many different types of coordinating and governing boards and many state level associations and agencies. Many argue that the system is too complex, that there are ambiguities, inconsistencies, and overlapping responsibilities. Others argue that the system is a natural outgrowth of a large, populous state and that it fosters diversity and is workable.

In Pennsylvania, the relationship between higher education and the state results from the countless actions and interactions of the institutions and state level bodies. In this complex arena, issues of enrollments, resources, private/state relationships and structure for enrollment and resource decision making are now being addressed.

## PART IV

## PENNSYLVANIA FACES THE ISSUES

The critial issues facing higher education during the 1980s are complex and often interdependent. The system of postsecondary education in Pennsylvania is large and made up of several interdependent units. This section explores the attitudes of educational leaders throughout the state about the ability of Pennsylvania to cope with the issues.

### Study Design

The controversial, complex, and timely nature of the issues and the desire to obtain opinions from the state's educational leadership which includes many individuals spread across a large geographical area, suggested the use of a combination of mailed questionnaires and personal interviews.

Questionnaires included a number of items in each of the four areas of inquiry - enrollments, resources, relationships between private institutions and the state, and overall structure for enrollment and resource decision making (See Appendix A for copy of questionnaire). In simplified terms, for each area, respondents were asked for opinions on what would happen during the 1980s, who would be affected, and which agency or group should do something about it. They were also asked to react to a variety of possible means or mechanisms for handling problems in each area.

After pretesting, questionnaires were mailed to (a) the presidents of all colleges and universities in Pennsylvania including the heads of branch campuses but excluding specialized associate degree institutions; (b) members of the State Board of Education Council on Higher Education; (c) leading higher education officials in the Pennsylvania Department of Education; and

(d) members of the education committees in the Pennsylvania House of Representatives and Senate. Two copies of the questionnaire were mailed to the individuals listed above and the cover letter requested that one copy be forwarded to the staff member responsible for institutional/state relations. For purposes of analysis of returned questionnaires, however, only one per institution or initial recipient was used. In 93% of the cases, this was the questionnaire returned by the president, board member or legislator. A follow-up questionnaire was sent to nonrespondents after one month.

Six categories were used for purposes of comparison by type of institution or affiliation. These categories, together with the number of questionnaires mailed and returned and the response rates are shown in Table 1.

Only the legislative category fell seriously below a 50% response rate, but since five individuals among the educational leadership in the legislature were interviewed, the low response rate does not present major cause for concern. Returned questionnaires were analyzed by computer using the Statistical Package for the Social Sciences. Frequencies for each item were computed for the entire group and for each of the six categories. Cross tabulations of several items were computed to look for consistency in patterns of response.

Twenty-two educational leaders were interviewed (See Table 2). They were selected to represent the institutions of higher education by sector, number of institutions, overall enrollments, and geographical spread; and to include the legislative and state agency leadership. Due to a death and period of leadership change, no member of the State Board was interviewed.

Most interviews were completed in an hour, although some continued for two or more hours. They were semistructured to include all items from the questionnaire, however, the discussion was allowed to follow the direction taken by the interviewee. Interviews were extremely useful for clarification

Table 1

Response Rates by Affiliation

| | Total Sent | Returns | Response Rates (%) |
|---|---|---|---|
| Private Institutions | 95 | 50 | 52.6 |
| State-Aided Institutions | 12 | 6 | 50.0 |
| State-Related Institutions (including branch campuses) | 31 | 14 | 45.2 |
| State Colleges & University | 14 | 6 | 42.9 |
| Community Colleges | 14 | 7 | 50.0 |
| Legislators | 40 | 13 | 32.5 |
| Pennsylvania Department of Education and State Board of Education | 18 | 10 | 55.6 |
| TOTAL | 224 | 106 | 47.3 |

Table 2

Interviews by Affiliation

| | |
|---|---|
| Private Institutions | 5 Presidents |
| State-Aided Institutions | 1 President |
| State-Related Institutions | 1 President<br>1 Vice Chancellor |
| State Colleges & University | 2 Presidents<br>1 Vice Chancellor |
| Community Colleges | 2 Presidents |
| Legislators | 5 (3 Representatives, 2 Senators) |
| PDE-Other State Agency | 4 (top level higher education officials) |
| TOTAL | 22 |

of the issues and important new considerations were added. All members of the research team conducted interviews but a common schedule was used and many were recorded. The author analyzed all completed schedules.

Survey and interview data when analyzed together provided an excellent picture of general attitudes about the prospects for the 1980s, and of specific reactions from each of the major components of the system of postsecondary education in Pennsylvania.

In the presentation of research results in the following sections, the Tables include overall percentages for survey and interview responses as well as the total number of respondents for each question. The narrative sections however, also include percentages by category of respondent so that any differences are highlighted. Where cross-tabulation results added important information, they are also reported in the narrative sections. Due to the small number of interviews and the possibilities for misinterpretation of large percentage differences, the narrative sections include numbers of responses rather than percentages.

Public and Private Sectors

The research involved many questions on possible state actions and relationships with the public and private sectors of higher education. It was necessary, therefore, to "situate" the state-related universities and the state-aided colleges and universities in either the public or private sector but inappropriate to force an a priori determination. For this reason, the first question on the questionnaires and interviews asked respondents if state-related institutions should be considered part of the public sector. Questionnaire respondents were asked to scale their answers--strongly agree, agree, disagree, strongly disagree, and no opinion.

The results show that 73% of all survey* respondents (N=106) either strongly agreed or agreed that they should be considered public. The respondents who disagreed represented the private and state-related sectors, but substantial majorities in both categories agreed that they should be considered public. Most interviewees (18 of 22) also felt that state-related institutions should be considered public for purposes of overall state policy but hastened to add that they should continue to be treated as a special category of quasi-public, quasi-private institutions. The general findings and analyses reported here, therefore, include the state-related institutions within the broader category of public sector although the state-related institutions have been maintained as one of the five institutional categories for detailed analysis of responses. In this way it is possible to compare the institutional categories even while the public sector is considered to include state-related universities, the state college and university, and the community colleges.

Question 2 in both mail surveys and interviews asked if state-aided institutions should be considered part of the public sector. The response was mixed, 41% of all survey respondents (N=105) agreed or strongly agreed that they should be considered part of the public sector, while 51% disagreed or strongly disagreed and 9% had no opinion. In all institutional categories there were mixed views on the question.

Among those interviewed there was near unanimity of opinion (19 of 22) that state-aided institutions should not be considered public. However, there was considerable disagreement about their special status. Some felt that the special appropriations were appropriate, necessary, and in the long run, cost effective for the state. Others argued that state-related institutions provide comparable programs and that state-aided colleges and universities

*The term survey and questionnaire are used interchangeably in this report.

should be treated no differently from other independent institutions. For purposes of this report, therefore, the public sector category does not include state-aided institutions although it should be remembered that a number of educational leaders in Pennsylvania would like to see these institutions included in the public sector. State-aided institutions have been kept as a distinct institutional category for detailed analysis.

Enrollments

In the course of this research it became clear that higher education leaders in Pennsylvania are well aware of national and state enrollment projections and that the issue of enrollments constitutes a primary concern of most college and university presidents and state level officials concerned with higher education.

Most colleges and universities have undertaken institutional enrollment studies with an emphasis on specific clientele groups and institutional planning. The Pennsylvania Association of Colleges and Universities (PACU), working through the commissions, has sought to disseminate enrollment information to member institutions. Conditions of Education in Pennsylvania (1978) is the most recent of several attempts by the Pennsylvania Department of Education (PDE) to examine demographic data and predict enrollments for the state as a whole.

The Department of Education is also proud of an enrollment planning project launched in 1980 under the direction of Robert Demsky of the University of Pennsylvania and with the cooperation of the College Board. The purpose of the project is to provide specific data to institutions that can be used for planning purposes by the institutions themselves. The Demsky model starts with 67 counties and eight planning regions, classifies potential students--using socio-economic data according to whether they seek local, regional or

national options--and uses college board data on Pennsylvania test takers to produce minimum and maximum enrollment "potentials" for specific institutions in the state. The burden is then on the institution to recruit and retain students to their enrollment potential. The model is ingenious but it will be some years before it can be known whether it helps with enrollment problems.

This research project confirmed that enrollment decline is an issue of major concern in Pennsylvania. In Table 3 all enrollment related questions and responses from surveys and interviews are presented, although the questions are reordered.

To the first enrollment question, Question 3, respondents were asked to predict what will happen to overall enrollments in higher education during the 1980s. Ninety-two percent of survey respondents and almost all of those interviewed predicted a decline in enrollments for Pennsylvania. There were important differences, however, in the predicted levels of decline with responses spread almost evenly between one and forty percent decline. This spread is understandable in light of the broad range in national and Pennsylvania enrollment projections. Many of those interviewed predicted, furthermore, that enrollment decline would be spread unevenly across the state and that metropolitan Philadelphia and western Pennsylvania would experience the most severe declines.

Many of those who were interviewed were asked to identify their source of information for enrollment projections. The largest number mentioned the Pennsylvania Department of Education but many volunteered that they found PDE projections unreliable. Others cited national studies or their own institutional projections. It is important to note that in Pennsylvania there is no generally accepted authoritative source for enrollment information for higher education.

Table 3

Enrollment Questions and Responses - Surveys and Interviews (Percentages)

| | Surveys | Interviews |
|---|---|---|
| 3. During the 1980s, overall enrollments in higher education in Pennsylvania will: | | |
| a. Increase 1-10% | .9 | 4.8 |
| b. Remain Stable | 4.7 | 0 |
| c. Decrease 1-10% | 32.1 | 19.1 |
| d. Decrease 10-20% | 38.7 | 42.9 |
| e. Decrease 20-30% | 20.8 | 23.8 |
| f. Other | 2.8 | 9.5 |
| (N) | (106) | (21) |
| 4. These enrollment declines will most seriously affect: | | |
| a. Private Institutions | 64.6 | 54.5 |
| b. State-aided Institutions | 2.0 | 0 |
| c. State-related Institutions | 2.0 | 0 |
| d. State Colleges & University | 13.1 | 18.2 |
| e. Community Colleges | 1.0 | 0 |
| f. Other or combination | 17.1 | 27.3 |
| (N) | (99) | (22) |
| 7. Which of the following groups should be primarily responsible for planning for enrollment declines for institutions in the public sector: | | |
| a. State Legislature | 3.0 | 13.6 |
| b. State Board of Education | 25.3 | 31.8 |
| c. Pennsylvania Department of Education | 17.2 | 31.8 |
| d. Regional Higher Education Councils | 13.1 | 0 |
| e. Institution or Sector Governing Board | 32.3 | 13.6 |
| f. Other | 9.1 | 9.1 |
| (N) | (99) | (22) |

| | Strongly Agree or Agree | | Disagree, Strongly Disagree | | No Opinion | | (N) | |
|---|---|---|---|---|---|---|---|---|
| | S* | I | S | I | S | I | S | I |
| To ensure the continued quality of higher education: | | | | | | | | |
| 5. Some public institutions should close | 59.0 | 66.7 | 30.0 | 19.0 | 11.0 | 14.3 | (100) | (21) |
| 6. Some privates should close | 50.5 | 68.4 | 34.3 | 5.3 | 15.2 | 26.3 | (99) | (19) |
| 8. As a means of planning for enrollment declines, the group identified in Q7 should have authority to: | | | | | | | | |
| 8.1 Review and approve academic programs | 85.1 | 59.1 | 12.8 | 40.9 | 2.1 | 0 | (94) | (22) |
| 8.2 Establish maximum enrollment levels | 59.8 | 27.3 | 33.7 | 68.2 | 6.5 | 4.5 | (92) | (22) |
| 8.3 Discontinue duplicative programs | 79.8 | 36.4 | 16.0 | 40.9 | 4.3 | 22.7 | (94) | (22) |
| 8.4 Identify publics to close | 72.8 | 72.7 | 20.6 | 18.2 | 6.5 | 9.1 | (92) | (22) |

*S=Surveys, I=Interviews

In Question 4, respondents were asked to identify the higher education sector that in their opinion would be most seriously affected by enrollment declines. Sixty-five percent of survey respondents felt that private institutions would suffer the most, while 17% listed various combinations of public and private institutions and 13% opted for the state college and university sector.

Interview responses were roughly similar. With twelve individuals identifying private institutions, six opting for a combination of public and private, and four selecting the state college and university sector. Those who identified private institutions usually added the qualifying adjectives "small," "marginal," and/or "liberal arts," and argued that the higher tuitions at private institutions and the growing tuition gap between public colleges and universities and private institutions would be major contributing factors of enrollment decline. Many of these same individuals indicated that the state college and university sector would also be affected. Interestingly, those who first selected the state college sector identified the state-related institutions, rather than the private institutions, as the "next-most-likely" to be affected.

One individual made the interesting observation that the question had to be answered qualitatively as well as quantitatively. In his opinion, the private sector would experience a greater proportional decline in numbers but this would result from planned reductions and would not necessarily affect quality. He felt that the state colleges and university, the community colleges, and to some extent, the state-related institutions, on the other hand, would suffer qualitatively because they would lower their standards in order to maintain enrollment levels. It is equally possible, of course, that all sectors will lower standards in an effort to offset enrollment decline.

Educational leaders in Pennsylvania, then generally agree that higher education enrollments in the state will decline during the 1980s and that small, marginal, private institutions will be most seriously affected by enrollment decline. This finding accords with the predictions of the Carnegie Council on Policy Studies in Higher Education (1980). In other areas of questioning related to enrollments, however, it is the extent of disagreement that is most notable.

Respondents were asked in Question 7 to identify that group or agency which should be primarily responsible for planning for enrollment declines for institutions in the public sector. Both survey and interview responses show differing opinions with three groups most frequently mentioned as follows: institutional or sector governing boards (32% survey responses, 3 interviewees), State Board of Education (25% surveys, 7 interviewees), and Pennsylvania Department of Education (17% surveys, 7 interviewees).

When the data are analyzed by affiliation of respondents, it is interesting to note that while 54% or the 48 private institution respondents and 57% of the 14 state-related institution respondents were willing to assign primary responsibility to the State Board of Education or the Pennsylvania Department of Education for planning in the public sector, fully 70% of the 10 legislative respondents assigned primary responsibility to institutional or sector governing boards or regional higher education councils.

During the interviews, strong feelings on this subject were expressed on both sides of this question. Many argued that the state, through the State Board of Education or PDE, had to be involved in planning for enrollment declines while others were equally vehement that the state should not interfere. The relatively strong showing for the regional higher education councils as a first choice for survey respondents and a second choice for interviewees was

somewhat surprising given the low-key role that these bodies have played and the position of the Department with respect to them.

In Question 5, respondents were asked if some public institutions in Pennsylvania should close in order to ensure the continued quality of higher education in Pennsylvania and in Question 6 they were asked if some private institutions should close for the same reason. A five part scale was used: strongly agree, agree, disagree, strongly disagree, and no opinion. The intent was to focus on whether higher education as a whole would be better off if some parts were to close rather than to identify specific institutions for closure or consider who should make closure decisions. More than 50% of survey respondents were sympathetic to the idea of closing some institutions in both the public and private sectors. When the responses are broken down by affiliation of respondents, the 49 private college and university presidents are more sympathetic to the idea of public sector institutional closures (69%) than to private sector closures (50%).

Respondents from other sectors were equally open to closures in public and private sectors. Of those interviewed, fourteen felt that some public institutions should be closed and thirteen that some private colleges should close, but it was also clear that many individuals misunderstood the normative aspects of the questions and responded with what they thought would happen over the next decade rather than with what they thought should happen in the best interest of higher education in Pennsylvania. It is not known whether survey respondents also missed the normative intent of the question.

In Question 8 opinions were sought concerning a number of means or mechanisms for enrollment planning. Respondents were asked to indicate if they thought the board or agency with planning responsibility should have the authority to review and approve all new academic programs; to establish

maximum enrollment levels; to review and, if necessary, discontinue existing duplicative programs; and to identify for closure public institutions with inadequate enrollments. Table 3 contains the responses to these items but it should be remembered that the perceptions of which agencies would use these means (responses to Question 7) differed so that a positive response indicates only a willingness to consider each of the items as possible mechanisms for handling enrollment decline. Large proportions of survey respondents favored academic program review and approval (85%) and efforts to discontinue unnecessarily duplicative programs (80%). Although majorities of survey respondents supported the establishment of maximum enrollment levels (60%) and the targeting of institutions for closure (73%), there was also strong opposition to each of these measures (34% and 21% respectively).

Cross tabulations of these four items with Question 3 revealed that those anticipating a 20% or greater enrollment decline were not necessarily more willing to agree to the use of these enrollment planning measures than were survey respondents predicting an enrollment decline of less than 20%.

While survey respondents were generally inclined to agree with the enrollment planning measures included in the questionnaire, the educational leaders who were interviewed had quite different opinions. Most assumed that the State Board of Education and the Pennsylvania Department of Education would be the implementation agency and that the measures simply would not work in Pennsylvania. Nine of the twenty-two felt that there should not be state level program approval or that only major new programs such as medical schools should require approval. Fifteen of the twenty-two responded that the idea of setting maximum enrollment levels so as to create an applicant pool for other institutions was not suitable for Pennsylvania because of the large number of institutions in the state. Half of those interviewed did not think

it feasible to centrally mandate the discontinuance of unnecessarily duplicative programs. The only item with broad support was that calling for the identification of those institutions in the public sector which should be closed for inability to maintain adequate enrollment.

Interviewees were asked for ideas about what should be done to deal with enrollment problems. Most suggested greater efforts to increase participation rates, more attention to nontraditional students, and renewed efforts to close the tuition gap between public and private institutions.

Resources

The research project confirmed that educational leaders in Pennsylvania think that a primary higher education problem during this decade will be that of obtaining adequate resources for the operation of the colleges and universities in the state. The resource-related questions were designed to parallel closely the enrollment questions and to obtain opinions about what will happen during the 1980s, who will be affected, who should be responsible for resource planning, and what means and mechanisms should be used. In Table 4 all resource-related questions and responses from surveys and interviews are presented.

In Question 9, respondents were asked for an opinion about what will happen to overall resources available to institutions of higher education in Pennsylvania during the 1980s. In order to avoid potential confusions resulting from changing enrollments and inflationary factors, respondents were specifically asked to calculate on a per student basis and to adjust for inflation in their estimates. Sixty-seven percent of survey respondents felt that there would be a decrease, 47% estimated a decrease of less than ten percent, and 18% a decrease ranging from ten to twenty percent. Thirty percent felt that resources would remain stable or increase during the decade. Of those

Table 4

Resource Questions and Responses - Surveys and Interviews (Percentages)

| | Surveys | Interviews |
|---|---|---|
| 9. What will happen to overall resources in Pennsylvania during the 1980s: | | |
| a. Increase 1-10% | 12.3 | 0 |
| b. Remain Stable | 17.9 | 42.9 |
| c. Decrease 1-10% | 47.2 | 21.4 |
| d. Decrease 10-20% | 17.9 | 35.7 |
| e. Decrease 20-30% | 1.9 | 0 |
| f. Other | 2.8 | 0 |
| (N) | (106) | (14)[a] |
| 10. Resource declines will most seriously affect: | | |
| a. Private Institutions | 48.2 | 40.9 |
| b. State-aided Institutions | 3.6 | 0 |
| c. State-related Institutions | 2.4 | 0 |
| d. State College & University | 14.5 | 31.8 |
| e. Community Colleges | 3.6 | 0 |
| f. Combination of Public & State Colleges | 6.0 | 0 |
| g. Combination Public, Public & Private, Other | 21.6 | 27.3 |
| (N) | (83) | (22) |
| 11. Which of the following should be primarily responsible for planning for resource declines for institutions in the public sector: | | |
| a. State Legislature | 9.5 | 4.8 |
| b. State Board of Education | 26.2 | 33.3 |
| c. Pennsylvania Department of Education | 20.2 | 28.6 |
| d. Regional Higher Education Councils | 13.1 | 0 |
| e. Institution or Sector Governing Board | 20.2 | 14.3 |
| f. Individual Institution | 3.6 | 4.8 |
| g. Other - Shared | 7.2 | 14.3 |
| (N) | (84) | (21) |

| | Strongly Agree or Agree | | Disagree, Strongly Disagree | | No Opinion | | (N) | |
|---|---|---|---|---|---|---|---|---|
| | S[b] | I | S | I | S | I | S | I |
| 12. As a means of planning for resource declines, the group identified in Q11 should have authority to: | | | | | | | | |
| 12.1 Establish formulas for allocations of resources | 85.4 | 68.2 | 9.8 | 22.7 | 4.9 | 9.09 | (82) | (22) |
| 12.2 Review and recommend to legislature on budget requests | 89.7 | 77.3 | 9.0 | 13.6 | 1.3 | 9.09 | (78) | (22) |
| 12.3 Establish policy for faculty & staff reductions in force | 67.1 | 86.4[c] | 29.2 | 0 | 3.8 | 13.6 | (79) | (22) |
| 12.4 Identify public institutions for closure | 68.4 | 45.5 | 24.1 | 27.3 | 7.6 | 27.3 | (79) | (22) |

[a]Remaining 8 interviewees said decline but would not give percentage.
[b]S=Surveys; I=Interviews
[c]Evenly divided as to whether policies should be established by the individual institutions or by some state agency usually State Board of PDE.

interviewed, 16 of 22 said there would be a decrease but only half were willing to estimate the percentage. The other six felt that resources would remain stable.

When the responses were analyzed by category of respondent, legislators and PDE staffers emerge as the groups most likely to estimate that resources will increase. Interview data show that legislators were simply not making adjustments for inflation in their answers. This may also have been true of legislators on survey responses but it is impossible to know.

A cross tabulation of Question 3 with Question 9 shows that many, but not all, survey respondents projecting enrollment decline also projected resource decline (soliciting resource estimates on a per student basis eliminated the obvious connection between the two). Among the 106 survey respondents, 71% of those who anticipated a one to ten percent decline in enrollments projected a decrease in resources, 63% of those anticipating a ten to twenty percent decline in enrollments projected a decrease in resources, and 73% of those anticipating a twenty to thirty percent enrollment drop projected a decrease in resources.

Interviewee comments on this question were interesting and various. Presidents of the public colleges and universities emphasized the state's economic problems, regressive tax structures, and competition from other claimants for public funds as important factors contributing to the resource problems they anticipate for higher education in Pennsylvania. Private college presidents focused on the problems of not being able to raise tuitions to match cost increases, of poor yields on portfolio investments, and of competition from lower-cost institutions. Legislators seemed somewhat defensive. They criticized the Chambers surveys and defended the state record in support of higher education. They do not appear to share the opinions of institutional

heads that, given inflation, there are serious resource problems facing higher education during the 1980s.

Those who anticipated resource declines were asked in Question 10 to judge which sector of higher education would be most seriously affected by the declines. Of the 83 survey respondents who felt resources would decline, 48% answered the private sector, 15% identified the state college and university sector, and 24% insisted on various combinations such as private institutions and state colleges, all public institutions, or public and private institutions. Among those interviewed there was a more even distribution between those who felt that private institutions would be most seriously affected (9), and those who identified the state college and university sector (7). Six interviewees thought a combination of publics and privates, particularly the newer, less endowed private institutions and the poorly located and politically ineffective public institutions, would suffer the most serious resource declines.

When survey responses to Question 10 are analyzed by category of respondent, the presidents of private and state-aided institutions most often identified the private sector to be most seriously affected by resource declines while presidents from public sector institutions and other respondents distributed their answers across the spectrum of choices.

A cross tabulation of Question 9 with Question 10 showed that those who anticipated resource declines above 10% were also more likely to think that private institutions would be the most seriously affected. Those anticipating a less than 10% resource decline identified various sectors and combinations to be most seriously affected.

Most of those who were interviewed emphasized the difficulty of making predictions in the resource area about what would happen and who would be

affected because of the exceedingly complex interweaving of economic and political factors. Some felt that the resource problems of the private sector would be easier to detect and resolve because private colleges and universities operate more independently, are not as subject to political forces and can focus total institutional energies on specified problems. Others felt that public institutions will be in the best position because states will have more money available as inflation increases revenues and because states are accustomed to supporting increasing operational costs. It was clear that college and university presidents felt that in many ways determinations as to the level of resources that would be available for their institutions were beyond their control.

In Question 11, respondents were asked to identify that group or agency which should be primarily responsible for planning for resource declines in the public sector. Survey and interview responses were consistent with three groups most frequently mentioned as follows: State Board of Education (26% surveys, 7 interviewees), Pennsylvania Department of Education (20% surveys, 6 interviewees), and institutional or sector governing boards (20% surveys, 3 interviewees).

The response to this question roughly parallels that to Question 7 on enrollment planning responsibility except that a larger percentage selected institutional or sector governing boards for enrollment planning (32%) than for resource planning (20%), and more respondents identified the state legislature for resource planning (10%) than for enrollment planning (3%).

When the data are analyzed by category of respondents, the responses again roughly parallel the responses to the enrollment planning question. Fifty-eight percent of the 40 respondents from private institutions identified the State Board of Education, the Pennsylvania Department of Education or the

state legislature (in that order) as primarily responsible for resource planning in the public sector, whereas, 50% of the 12 respondents from state-related institutions chose institutional or sector governing boards or regional higher education councils.

The educational leaders who were interviewed voiced considerable skepticism about the concept of resource planning. Most noted what they considered to be a policy vacuum in this area and commented on the heavy influence of "political" factors as opposed to "rational" factors in the resource planning process. Others described current policy with respect to resource planning as a policy of "drift" and "political clout" and saw no reason to anticipate change in the future.

Four subparts to Question 12 asked respondents to give their attitudes toward a variety of means for handling problems of resource decline. The wording of the question allowed respondents to assume that whatever group they identified as having responsibility for resource planning would have authority to use or initiate this mechanism. The responses, then, cannot be interpreted to mean reactions to state imposition of certain mechanisms. For example, a respondent could agree to policies for reductions in force because he/she has assumed that institutional boards would set such policies. Had the respondent been asked if the state should set such policies, he/she might have said no.

Question 12.1 asked about formulas for the allocation of resources. Eighty-five percent of survey respondents agreed with the concept of formulas as did 15 of the 22 interviewed. Interview discussions on formulas were fascinating and showed wide range of opinion. Some of those arguing in favor of formulas felt that formulas produce greater equity, others favored them but emphasized that they had to be initially well-designed and they had to

remain flexible with frequent opportunities for change. Others felt less positive about the inherent worth of formulas but felt they were necessary in an inherently political state. As one observer noted, "If people do not trust enough the agency responsible for making decisions, the default position is formulas. It often happens in a highly politicized situation" (Confidential interview).

Others emphasized the drawbacks of formulas. One interviewee noted that there have been attempts at formulas for twenty years in Pennsylvania and none of them has worked. He attributed the cause to the diversity of higher education in Pennsylvania and the fact that each institution depends upon a different mix and combination of resources. In such a situation it is impossible to develop a workable formula to serve the needs of institutions. Another was opposed to formulas because they are very difficult to change even if conditions change. This observer commented, "What you really need is thought--a well conceived public policy that looks carefully at what is done and what objectives are served is clearly preferable to formulas" (Confidential interview).

In Question 12.2, respondents were asked if the agency they selected for primary planning responsibility should review and recommend on institutional budget requests for institutions in the public sector. The agency with primary planning responsibility in the resource area could have been institutional governing boards or a variety of state level agencies (see Question 11). This may explain why 90% of the survey respondents agreed or strongly agreed with this item. A number of those interviewed felt strongly that institutional budget requests should go directly from the governing board to the legislature with no intermediate review but most thought that there should be some form of state level review. The most interesting thing about this question is that it provided an opportunity for respondents to volunteer comments about the current

process for budget review in Pennsylvania. More than three-fourths of those interviewed expressed dissatisfaction with the current process and there were many similar notes in the surveys. They felt that the State Board was not serious during the process, did not make realistic recommendations, and did not fight hard enough for its recommendations with the budget office and the legislature. One observer noted that no state agency had thoughtful review and decision making on resource questions at the present time. Most legislators interviewed supported the concept of review and recommendation by the State Board with involvement of PDE, but argued for legislative involvement earlier in the process. The dissatisfaction with the current situation in Pennsylvania suggests that something should be done.

In Question 12.3, respondents were asked about policies and procedures for faculty and staff reductions in force. Two-thirds of the survey respondents felt that some policy was needed in this area as did 19 of those interviewed. Among those interviewed, half felt that such policies should be set by institutional boards and the state had no role to play in this regard while half felt that the State Board of Education and/or PDE would have a role to play and, in fact, would have to play a role because such issues as staff reductions will be too difficult to resolve at the institutional level.

In Question 12.4, respondents were asked about identifying institutions in the public sector for closure for inability to remain cost effective. Sixty-eight percent felt that the resource planning group had to bear this responsibility. In the interviews, there was again a very marked split between those who felt that state agencies and ultimately the legislature should identify the institutions or whether the institutional governing board alone should decide when it was time to close. One observer suggested that an outside "blue ribbon" committee be called in to examine institutions in serious trouble and

that this committee should bear responsibility for closure recommendations to state agencies.

Survey respondents and interviewees were asked in Question 12.5 for other ideas for handling resource problems. Survey responses showed very few ideas but a number of ideas were suggested during the interviews. The most frequent suggestion was for a revision of the tax structure in Pennsylvania to generate more state revenues and to provide greater incentives for individuals to give to institutions of higher education. Others suggested that state agencies could provide more useful data for planning purposes. Still others thought that an improved public image for higher education was necessary to generate more philanthropic and state support. Suggestions for institutional consideration included: improve efficiency, increase faculty output, improve retention rate, and use better marketing strategies to attract students.

Relationships Between Independent Institutions and State Government

This research showed that there are important disagreements among the educational leaders of Pennsylvania about the appropriate role of the state with respect to private colleges and universities and about various mechanisms for state assistance to private higher education. Table 5 groups survey and interviewee questions and responses in this area.

In Question 13 it was noted that governing boards of institutions in the private sector will continue to have primary responsibility for planning for enrollment and resource declines, but respondents were asked if the state will have an increasingly important role in private higher education during the 1980s. Only 56% of survey respondents strongly agreed or agreed that the state's role would increase, while 38% disagreed and 6% had no opinion. A larger number of those interviewed (17 of 22) felt that the state role would increase during the 1980s.

Table 5

Relationships with Private Sector - Questions and Response Surveys and Interviews (Percentages)

| | Strongly Agree or Agree | | Disagree, Strongly Disagree | | No Opinion | | (N) | |
|---|---|---|---|---|---|---|---|---|
| | S* | I | S | I | S | I | S | I |
| 13. Although governing boards for institutions in the private sector will continue to have primary responsibility for planning for enrollment and resource declines, the state will have an increasingly important role in private higher education during the 1980s. | 55.7 | 77.3 | 38.4 | 9.1 | 5.8 | 13.6 | (104) | (22) |
| 14. In order to assist private institutions, Pennsylvania should: | | | | | | | | |
| 14.1 Increase support through increases in PHEAA grants | 67.7 | 71.4 | 24.8 | 19.1 | 7.6 | 9.5 | (105) | (21) |
| 14.2 Prevent unnecessary program duplication by controlling public sector programs | 65.1 | 27.3 | 30.1 | 27.3 | 4.9 | 45.5 | (103) | (22) |
| 14.3 Prevent unnecessary program duplication by controlling private sector programs | 27.4 | 13.6 | 66.7 | 54.6 | 5.9 | 31.8 | (102) | (22) |
| 14.4 Increase tuition in public sector | 57.2 | 36.4 | 36.9 | 45.5 | 5.8 | 18.2 | (103) | (22) |

*S=Surveys, I=Interviews

When the data are analyzed by respondent categories, three groups were roughly divided on the issue. Of the 48 private institution respondents, half strongly agreed or agreed that the state role would increase, while 46% strongly disagreed or disagreed. Of the 14 state-related institution respondents, 57% agreed and 36% disagreed. The ten Pennsylvania Department of Education respondents split 50%-50% on the issue. Other groups were more likely to agree that the state role would increase.

Many of those interviewed argued that the state role would increase because private institutions would become more dependent on the state for resources during the 1980s. Several felt that the state would have to do more to help private institutions if some of them are to survive the decade but that this help could result from direct allocations of state resources or indirectly from policies directed at public institutions which preserved "real" choices for students. Many argued that it is in the state's best interests to help preserve a strong private sector, particularly in Pennsylvania, because private institutions educate a large number of Pennsylvania residents who would otherwise have to be accommodated at a larger cost to the taxpayer in the public sector. In more eloquent terms, it was noted that independent institutions serve positive public purposes and that these purposes are as important to the future as they have been in the past.

Comments on surveys of those who strongly disagreed or disagreed with the proposition that the state will have an increasingly important role in private higher education during the 1980s indicate a concern for institutonal independence and autonomy and a strong desire for private institutions to remain masters of their own destinies. A few noted that the pattern of relationships between the state and the independent institutions had already been established and that they did not foresee any changes in the pattern.

In Question 14, four means through which Pennsylvania could assist private institutions were suggested and respondents were asked for opinions about whether the state should use them. The first asked about increased state support through increases in the grants administered by the Pennsylvania Higher Education Assistance Agency (PHEAA). PHEAA grants include direct aid to institutions through institutional assistance grants and scholarship awards to students (see Part II). Two-thirds of the survey respondents favored increases in PHEAA grants and one-fourth opposed them, while 15 of those interviewed also favored the increases.

When the responses are analyzed by category of respondents, however, a very different picture emerges. Eighty-eight percent of the 50 private sector respondents favored the increases as did 77% of the 13 legislators, 70% of the ten PDE staff surveyed and 50% of the six state-aided institution respondents. Public sector respondents for the most part were opposed or had no opinion (all 6 from state colleges opposed, 3 of 6 from community colleges opposed with 2 no opinion; and 6 of the 14 from state-related's opposed with 2 no opinion.)

It is interesting to note that those who saw an increasingly important role for the state in private higher education did not necessarily agree that Pennsylvania should provide increased resources to institutions. Of the 58 who felt that the state role vis a vis private institutions would become more important, 69% argued for increases in PHEAA grants, while 68% of the 40 who did not see the state playing an increasingly important role argued for increases in PHEAA grants.

Most of those interviewed felt that the combination of student grants and direct institutional grants tied to the number of student recipients is a suitable and fair mechanism for the distribution of state resources to private

institutions. Many, including the presidents of the independent and state-aided institutions and all legislators, argued for increases. The others had mixed opinions or no opinions on the subject with that of one state college president perhaps best representing the group. "If public institutions don't lose anything, then I'm for the increases, but if there is a fixed pie and it costs the public institutions, then I am against them" (Confidential interview, state college president). This same individual also noted that given the the large number of private institutions in the state, even small increases make a big difference in the total state dollars involved. Several individuals suggested that the size of the state appropriation to the Pennsylvania Higher Education Assistance Agency should be a fixed percentage of the overall appropriation for higher education. In this way the size of PHEAA grants to students and to institutions could increase automatically as the state increased appropriations to public sector and state-aided institutions.

In Question 14.2 respondents were asked if the state should act to prevent unnecessary program duplication by controlling programs in the public sector. Sixty-five percent either strongly agreed or agreed with this statement, while 30% disagreed. When broken down by categories, 38 (78%) of the 49 private institutional respondents and 5 of the 6 state-aided respondents agreed as did 8 of the 10 PDE staffers and 7 of the 12 legislators. Respondents from public institutions tended to either disagree or strongly disagree (5 of 6 from state colleges and 4 of 6 from community colleges). The 14 state-related respondents were divided on the issue.

Among interviewees, almost half (10) did not answer the question but the remainder split evenly between agree and disagree. As with survey responses, public institutional respondents tended to disagree while private institutional respondents tended to agree that the state should intervene to control programs.

Those who said no, commented that public institutions should not be hobbled by state action to control programs for the benefit of private institutions or that program review simply doesn't work very well. Two of those who agreed emphasized that reviews for program duplication should be carried out at the regional level.

Respondents to Question 14.3 were asked about helping private institutions by state efforts to control program duplication in the private sector. The responses to this question were quite different from those to the previous question. Only 27% strongly agreed or agreed to this while 66% strongly disagreed or disagreed. As would be expected, the 49 private sector institution respondents tended to disagree, but not unanimously (31% from private sector agreed). Public respondents, legislators, and PDE staffers were all split on the issue.

Twelve of those interviewed disagreed and argued that any interference into program decision making in the private sector was either inappropriate or unmanageable or both. One observer noted that "the problem" wasn't duplication between the public and private sectors but duplication within the public sector. Others felt that private institutions needed to be able to start new programs for survival reasons. Of the three who agreed with the concept, two insisted that such reviews be accomplished at the regional level.

In Question 14.4, respondents were asked if Pennsylvania should increase tuition in the public sector in order to help private institutions. (It should be remembered that the state sets tuition levels only for the state college and university sector. Governing boards determine tuition in all other sectors.) A sizeable proportion (57%) agreed, perhaps reflecting the large number of private institutions in the sample. Among those interviewed the reaction was somewhat different, since only 8 felt that tuitions should be increased while

ten were strongly opposed to increases. The ten were unanimous in noting that an increase in tuition to create a more free market situation would violate a basic premise of public higher education: that of providing low cost higher education. Those who felt that the state should increase tuition in the public sector argued for more of a free market situation and felt this was one way to help maintain a real choice for students. Several noted that financial aid increases ought to accompany tuition increases. One observer argued that the state should raise out-of-state tuition rather than in-state tuition as a way of helping with revenue problems, and that this would help private institutions without hurting Pennsylvania residents.

Survey respondents and interviewees were asked to suggest other ideas for state assistance to private higher education. Most often, respondents replied that the state should provide help for building, renovation or energy conservation projects in private colleges through direct grants or low-interest, low "red-tape" loans. These respondents felt that without state help many institutions simply cannot undertake badly needed projects. Others suggested that the state should help private colleges and universities by contracting for specific programs from private institutions instead of creating these programs in public institutions where they are not now available. One observer noted that it would be helpful if the state would establish "efficiency indicators" so that private institutions could measure their own performance against these indicators and make necessary adjustments. The indicators would, of course, be suggested, not required.

Finally, one individual noted that if the state would just establish clear policy for the public sector about the amounts individuals would be expected to contribute toward the cost of higher education and what share of costs the state would bear, this would allow for better policy decisions with respect to state responsibility toward private higher education.

Structure and Organization

The overall structure and organization of postsecondary education in Pennsylvania was described in Part III. In essence, Pennsylvania followed the pattern of other states during the 1960s and strengthened the mandate of the State Board of Education in order to create a coordinating mechanism for higher education. Among other things the Board was given responsibility for master planning, for the development of higher education policy, and for program approval in the state college sector. The Board consolidates and comments upon the budget requests of all colleges and universities seeking state funds. The Secretary of Education, a member of the governor's cabinet, and the Pennsylvania Department of Education are expected to provide for advocacy and accountability in the higher education system. More recently, regional higher education councils have been developed to help with coordination and planning for higher education.

There is stronger communication within the system of higher education than was evident in 1970 at the time of the Eulau and Quinley study. This has resulted from the efforts of the Pennsylvania Association of Colleges and Universities (PACU), of the regional councils, and of the Postsecondary Education Planning Commission in the development, at the request of the State Board of Education, of the 1978 Master Plan. There is some evidence of coordination through the master plan and regional councils and clear evidence of control, perhaps too much, over the state college and university sector. While the State Board of Education is involved in the appropriation process, it is difficult to measure its influence.

The most important question, however, is whether the current structure and organization in Pennsylvania will adequately serve for the decade of the 1980s and beyond. Educational leaders in the state were asked for their opinions.

Question 15 contained a series of items designed to solicit opinions about state level structure. Respondents were asked to assume that the state will be involved in enrollment and resource allocation decisions affecting Pennsylvania public higher education in the 1980s and they were provided a brief description of current structure as including the governor, the state legislature, the State Board of Education, the Pennsylvania Department of Education, eight regional higher education councils, and the governing boards of the institutions and sectors in the Commonwealth.

Respondents were asked for opinions about the adequacy of the current state structure in terms of scope and use of powers and responsibilities (15.1). They were given an opportunity to indicate that state level agencies should use their powers more forcefully (15.2), and that the agency primarily responsible for enrollment planning (15.3) and/or planning for resource allocations (15.4) should have stronger powers. They were given several restructuring choices: a new state level coordinating board over all and only higher education as opposed to the current board with power over basic and higher education, (15.5); a new statewide governing board replacing existing institutional and sector governing boards (15.6); and the abolition of the State Board of Education and a stronger oversight role over public higher education for the state legislature (15.7).

Table 6 groups the questions and survey responses to the items concerning state level structure. Interview data is included in the discussion below but not in the Table. During the interviews a single question concerning the adequacy of current structure and organization for the decade of the 1980s was asked (15.1) and the remaining items (15.2-15.7) were used as probes to the discussion. The Table includes a column for no response because, in contrast to earlier items, more than one or two respondents did not answer all

Table 6

Structure and Organization - Survey Questions and Response (Percentages)

| | Strongly Agree or Agree | Disagree, Strongly Disagree | No Opinion | (N) |
|---|---|---|---|---|
| 15. Assuming that the state will be involved in enrollment and resource allocation decisions affecting Pennsylvania higher education in the 1980s, the current state level structure: | | | | |
| 15.1 Is adequate in terms of the scope and use of powers and responsibilities. | 53.0 | 38.0 | 9.0 | (100) |
| 15.2 Is adequate in terms of the scope of power and responsibilities, but state level agencies should more forcefully use their powers. | 34.0 | 45.0 | 21.0 | (100) |
| 15.3 Is inadequate. The group shown in Q7 as primarily responsible for planning for enrollment declines should have stronger powers. | 52.6 | 30.9 | 16.5 | (97) |
| 15.4 Is inadequate. The group identified in Q11 as primarily responsible for planning for resource allocations should have stronger powers. | 44.9 | 30.4 | 24.7 | (89) |
| 15.5 Is inadequate. There should be a state level board with the power to coordinate only and all higher education. | 23.9 | 56.3 | 19.8 | (96) |
| 15.6 Is inadequate. Institutional and sector gov. boards should be abolished. A new state level board with the power to govern all institutions of higher education should be created. | 7.0 | 75.0 | 18.0 | (100) |
| 15.7 Is inadequate. State Board should be abolished. The state legislature should assume stronger oversight role. | 6.2 | 79.6 | 14.3 | (98) |

of the items in Question 15. Although most respondents did address each item separately, it was possible to interpret Question 15 as a forced choice among the seven items. This may account for some of the missing responses. While the first two questions in the survey were related to the structure of higher education in Pennsylvania, they were intended to provide basic information needed for interpretation of other responses rather than to address the adequacy of the system.

This discussion considers the seven items in Question 15 together rather than separately because all are necessarily related to opinions concerning structure and organization. More than half of the survey respondents (53%) felt that the current structure for higher education in Pennsylvania is adequate in terms of distribution of powers and responsibilities, their scope and use while 38% disagreed and 9% had no opinion. When the use of powers was separated from this broad statement and respondents were asked if they thought state level agencies should use their powers more forcefully, only 34% agreed while 45% disagreed and 21% had no opinion.

If these two items are examined together with the three items which call for various forms of restructuring, a pattern begins to emerge. Eighty percent of the survey respondents were opposed to the idea of abolishing the State Board of Education and giving the state legislature stronger oversight powers with respect to public institutions (6% favored this measure and 14% had no opinion). Three-fourths of the survey respondents opposed the creation of a new statewide governing board and the concurrent abolition of existing institutional and sector governing boards (7% were in favor while 18% had no opinion). Fifty-six percent opposed the creation of a state level higher education coordinating board with responsibilities for all higher education in the state (4% were in favor while 20% had no opinion). Clearly then, the

the majority of survey respondents preferred existing structural and organizational arrangements to any fundamental changes in the system.

Some respondents, however, did state a preference for giving stronger powers to certain groups. Fifty-three percent would give stronger powers to the group they identified as primarily responsible for enrollment planning (31% were opposed to this while 17% had no opinion). In Question 7, respondents had decidedly different opinions as to which agency should be responsible for enrollment planning in the public sector--32% had said institutional or sector governing boards, 25% had said the State Board of Education, and 17% had selected the Pennsylvania Deparmment of Education. In a sense then, the results from 15.3 compounded the differences in Question 7 because survey respondents favor stronger powers for different groups - institutional boards, the State Board of Education, and the Pennsylvania Department of Education.

The same is true with respect to planning for resource allocations. Forty-five percent of survey respondents wanted to give the group they identified as having primary responsibility in this area stronger powers over resource allocations (30% were opposed to this while 25% had no opinion). In Question 11 respondents had selected the following groups for primary responsibility for resources - the State Board of Education (26%); the Pennsylvania Department of Education (20%); and institutional or sector governing boards (20%). Therefore, not only do respondents disagree as to which group should be responsible for planning for resource allocations in the public sector, they also disagree about strengthening the powers of the various groups.

When the responses to these items are analyzed by category of respondent, the results are interesting. Table 7 gives three percentages for each item - agree and strongly agree, disagree and strongly disagree, and no opinion by category of respondent.

Table 7

Percentage Responses to Question 15 by Category of Respondent

| | | 15.1 | 15.2 | 15.3 | 15.4 | 15.5 | 15.6 | 15.7 |
|---|---|---|---|---|---|---|---|---|
| Private Institutions | SA&A | 54.4 | 35.5 | 56.5 | 44.7 | 21.0 | 4.4 | 2.2 |
| | D&SD | 36.9 | 35.6 | 23.9 | 26.3 | 51.2 | 71.1 | 82.2 |
| | NO | 8.7 | 28.9 | 19.6 | 28.9 | 27.9 | 24.4 | 15.6 |
| | (N) | (46) | (45) | (46) | (38) | (43) | (45) | (45) |
| State-aided Institutions | SA&A | 50.0 | 50.0 | 83.3 | 66.6 | 16.7 | 0 | 0 |
| | D&SD | 50.0 | 50.0 | 16.7 | 16.7 | 66.7 | 100.0 | 100.0 |
| | NO | 0 | 0 | 0 | 16.7 | 16.7 | 0 | 0 |
| | (N) | (6) | (6) | (6) | (6) | (6) | (6) | (6) |
| State-related Institutions | SA&A | 28.6 | 0 | 53.9 | 64.3 | 28.6 | 7.1 | 14.2 |
| | D&SD | 50.0 | 71.4 | 15.4 | 7.1 | 57.1 | 78.6 | 71.4 |
| | NO | 21.4 | 28.6 | 30.8 | 28.6 | 14.3 | 14.3 | 14.3 |
| | (N) | (14) | (14) | (13) | (14) | (14) | (14) | (14) |
| State Colleges and University Sector | SA&A | 0 | 0 | 50.0 | 50.0 | 33.3 | 0 | 0 |
| | D&SD | 83.3 | 83.3 | 50.0 | 33.3 | 33.3 | 83.4 | 83.4 |
| | NO | 16.7 | 16.7 | 0 | 16.7 | 33.3 | 16.7 | 16.7 |
| | (N) | (6) | (6) | (6) | (6) | (6) | (6) | (6) |
| Community Colleges | SA&A | 100.0 | 42.9 | 33.3 | 16.7 | 28.6 | 28.6 | 14.3 |
| | D&SD | 0 | 57.1 | 50.0 | 66.7 | 57.2 | 42.9 | 71.4 |
| | NO | 0 | 0 | 16.7 | 16.7 | 14.3 | 28.6 | 14.3 |
| | (N) | (7) | (7) | (6) | (6) | (7) | (7) | (7) |
| Legislature | SA&A | 66.7 | 53.8 | 30.0 | 40.0 | 27.3 | 8.3 | 18.2 |
| | D&SD | 25.0 | 23.1 | 50.0 | 30.0 | 63.7 | 75.0 | 63.7 |
| | NO | 8.3 | 23.1 | 20.0 | 30.0 | 9.1 | 16.7 | 18.2 |
| | (N) | (12) | (13) | (10) | (10) | (11) | (12) | (11) |
| PDE | SA&A | 66.7 | 55.6 | 50.0 | 22.2 | 22.2 | 10.0 | 0 |
| | D&SD | 33.3 | 44.4 | 50.0 | 66.7 | 77.8 | 90.0 | 88.9 |
| | NO | 0 | 0 | 0 | 11.1 | 0 | 0 | 11.1 |
| | (N) | (9) | (9) | (10) | (9) | (9) | (10) | (9) |

SA&A=Strongly agree and agree; D&SD=Disagree and strongly disagree; NO=No Opinion

In general, presidents of private institutions find the current structure adequate. They would give stronger powers to the board responsible for enrollment planning, i.e., to the State Board of Education (40% of private institutions response to Question 7) or to institutional or sector governing boards (23% of privates response to Question 7). They oppose major structural change.

State-aided institutional representatives are divided on the questions of the adequacy of the current structure and whether state agencies should more forcefully use their powers. They support stronger powers in enrollment planning for the Pennsylvania Department of Education (50% of state-aided institutions response to Question 7) or for institutional and sector governing boards (33% response to Question 7). They also support giving stronger powers for planning for resource allocations to the State Board of Education (40% state-aided response to Question 11) or to the Pennsylvania Department of Education (40% response to Question 11). They oppose major structural change.

Fifty percent of the presidents or chancellors of the state-related institutions do not think that the present structure is adequate compared with 29% who think that it is and 21% who have no opinion. State-related respondents strongly oppose the idea that state agencies should more forcefully use their powers, but they favor stronger powers for institutional or sector governing boards both for enrollment and resource planning (43% of state-related institutions response to Question 7 and 42% response to Question 11). They oppose major structural change.

Presidents in the state college and university sector do not think that the current structure is adequate but they do not wish to see state level agencies more forcefully use their powers nor do they wish to see major structural change. Half of them would give stronger powers to the State Board of Education in enrollment planning (33% state college response to Question 7).

Although half would also give stronger powers in the resource planning area, they are divided as to which board or agency should have such power (20% each to State Board of Education, PDE, and institutions in response to Question 11).

The respondents from the community colleges are quite satisfied with the current structure although many would like to see state level agencies use their powers more forcefully. They would like to see more powers in enrollment planning for the institutional or sector governing boards (80% response to Question 7) and in resource planning for either the State Board of Education (40% response to Question 11) or institutional or sector boards (40% response to Question 11). They oppose major structural change although not so strongly as would be supposed from their response to item 15.1.

Legislative respondents are satisfied with current structural arrangements although slightly more than half of them would like to see state agencies use their powers more forcefully. They neither favor strengthening board or agency powers nor major structural change.

Leaders in the Pennsylvania Department of Education are also satisfied with the current arrangements but in this category slightly more than half would encourage state agencies to use their powers more forcefully. Half of them would strengthen the powers of either the Pennsylvania Department of Education (30% response of PDE to Question 7) or institutional or sectoral governing boards (30% response to Question 7) in enrollment planning. They strongly oppose a statewide governing board and the abolition of the State Board of Education.

Cross tabulations of all items in Question 15 showed only that approximately half of those who considered the current structure adequate (in terms of powers and responsibilities, their scope and use) also wanted to see state agencies more forcefully use their powers and that a few wanted various boards

to have stronger powers in enrollment and resource planning. Of those who found the current structure inadequate, more than 60% wanted to see strengthened powers for various boards and agencies in enrollment and resource planning. Also, those who favored increased power in enrollment planning, also favored it in the area of resource planning.

Interviewees were asked for an assessment of the adequacy of higher education structure and organization in light of the enrollment and resource conditions likely during the 1980s. Almost all individuals interviewed suggested improvements and the range of reaction to current structure was from mildly to highly critical. Most, however, did not argue for major structural change.

Many interviewees favored slight changes in the distribution of power and authority among the various groups but divided almost equally among those who wanted to strengthen the powers of the State Board of Education and the Pennsylvania Department of Education and those who wanted greater decentralization of power to institutional boards. Many commented that existing state level agencies - the State Board, the Pennsylvania Department of Education, and the regional councils do not use current powers to maximum effectiveness.

Almost three-fourths of those interviewed had something to say about the political climate for higher education in Pennsylvania. They felt that higher education suffers in Pennsylvania from constantly shifting legislative priorities, from occasional inappropriate legislative interference in the operations of colleges and universities, from frequent changes in the political appointees responsible for state level agencies, and from the fact that the State Board of Education has little political clout.

## PART V

## PENNSYLVANIA POSTSECONDARY EDUCATION POLICY IN THE 1980s: SOME SUGGESTIONS

This section draws from the research and literature in the field and from the research findings in order to suggest possible implications for higher education in Pennsylvania during the 1980s. On the basis of the analysis, it also makes specific action recommendations for consideration by educational leaders in Pennsylvania and research recommendations for those interested in the study of higher education both in Pennsylvania and elsewhere. Implications and recommendations will be provided first for each of the specific areas of inquiry. These will be followed by general concluding observations.

### Enrollment

This research makes it clear that educational leaders in Pennsylvania are aware of, and concerned about, enrollment prospects for the decade of the 1980s. Enrollment studies are routinely conducted by colleges and universities, associations of institutions, state planning commissions, and the Pennsylvania Department of Education and enrollment planning is carried out by institutions throughout the system. Each institution, however, is planning for, and counting on, the same general enrollment strategy. They hope for stability but plan for modest decline. They intend to make modest alterations to admissions standards, to increase marketing, to appeal to a broader cross section of students including the nontraditional older student clientele groups, to expand career-related programs, and to strengthen retention programs.

As each college and university follows the same course, institutions will become increasingly competitive over the same students. This will lead to a

lowering of standards throughout the system. It might also lead to imbalances in the internal allocations of resources as each college or university spends more on the admissions effort than is conducive to institutional health. It will probably also mean that many institutions will not succeed in achieving stability or modest decline but will experience severe enrollment decline.

Given the magnitude of the enrollment problems facing Pennsylvania, the scattered, individualized approach to enrollment planning is not likely to prove effective for the colleges and universities that make up the system of higher eduaation or for the system as a whole. While each institution should engage in enrollment planning and specific activities to strengthen their enrollment potential, the magnitude of the problem facing Pennsylvania suggests that concerted statewide enrollment planning is needed. Through such action we can hope to develop broader strategies and minimize institutional competition and compromised quality.

Effective concerted action depends upon effective state level leadership. This research shows that this is perceived to be in short supply in Pennsylvania. With respect to enrollment planning, leadership could come from the regional councils or from the State Board of Education, but the State Board Education has greater authority and legitimacy and a broader purview. It is suggested here that the State Board is in the strongest position to oversee the development of statewide enrollment plans and to influence their implementation. The following specific actions might prove responsible to the enrollment problems delineated in this study.

1. With the express agreement of colleges and universities in the system and the support of the Pennsylvania Association of Colleges and Universities, the State Board of Education should arrange for enrollment projection studies by outside consultants so as to arrive at more accurate and institution specific information on enrollment.

Better enrollment projections are needed because the broad ranges suggested in current projections make specific enrollment planning extremely difficult. An outside group of consultants is suggested because the credibility problems of the Pennsylvania Department of Education, evidenced in this research, might interfere with later use of enrollment information. The Department, however, will obviously need to work closely with outside consultants and should, over time, reassume responsibility for enrollment projections. National and state-specific projection techniques are improving and the Department of Education has the staff capability to use them. The enrollment projections can serve as the basis for institutional and statewide enrollment planning.

2. The State Board, working with colleges and universities, should use the enrollment projections to develop enrollment plans specifying needed reductions and phasing requirements for specific colleges and universities in the state.

The intent of this recommendation is to target reductions so as to have the least possible negative impact on specific institutions. To be successful, enrollment plans must be developed for all institutions and sectors in the system including state-related universities and independent colleges and universities. While the enrollment planning documents envisioned here cannot be control documents because of the charter provisions of colleges and universities and the statutory authorities of the State Board of Education, they can be developed and backed up by the influence of the State Board in the resource allocation decisions of the governor and legislature.

The recommendation poses several implementation difficulties. This research shows widespread skepticism and a low level of enthusiasm for the idea of enrollment targeting for Pennsylvania. In addition, state-related and independent colleges and universities have become accustomed to appropriations with no strings attached. The State Board of Education has not previously

exerted a great deal of influence over state resource allocations for higher education. Although difficult, statewide enrollment planning and targeting is necessary to prevent the debilitating competition sketched above.

3. The governor and the state legislature should statutorily expand the power of the State Board of Education to include the power of academic program review and termination for the state-related universities. The State Board of Education should use the power to target programs in the public sector and should suggest program distributions for the private sector in order to prevent duplication and competition and to help institutions achieve or maintain enrollment potential.

This recommendation is closely related to the previous one and will also be difficult to implement. This research showed support for the ideas of review and approval of academic programs and control of program duplication provided that such controls were applied to the sectors not represented by the respondents. Respondents opposed controls over their own institutions. The recommendation is necessary to help institutions achieve, but not over-achieve, the enrollments anticipated in the planning documents.

Currently the academic program approval and discontinuance powers of the State Board of Education are considered to apply only to the fourteen institutions in the state college and university sector. Program targeting is successfully used in this sector. This is not sufficient to the needs of the state, however, because the state college and university sector represents too small a proportion of total enrollment in Pennsylvania.

The large state-related universities must be a very important part of concerted enrollment planning. If the main campus and thirty-five branch campuses of the Pennsylvania State University and the metropolitan campuses of Temple University and the University of Pittsburgh overachieve enrollment plans, serious problems are created for all other colleges and universities in the state. Their prospects for doing so relate to their program offerings.

It is argued that the unrestricted charters of these universities grant them full autonomy in the determination of academic offerings and that "state-relatedness" does not impinge on this authority. This has not been widely debated or legally tested. This research shows that the Pennsylvania legislative and state level leadership views state-related universities as public institutions but this has not been connected to program approval or termination authority. The State Board of Education has not asserted program authority over state-related institutions nor recognized the advantages of doing so. It is suggested that the State Board of Education explore the possible modification of state-relatedness so that the "price" of state-relatedness becomes compliance with the programmatic recommendations of the State Board of Education.

4. The State Board of Education, working with colleges and universities, should commission an outside group of experts to develop a set of enrollment indicators for determining when institutional closure is in the best interest of the institutions and the state as a whole and to formulate equitable model policies and processes for institutional closure.

Policy in this area is badly needed in Pennsylvania. In the last two years we have witnessed two failed attempts at institutional closure in Pennsylvania--a private college and a branch campus of a state-related institution. In both cases the governing boards wanted to close but were not allowed to do so.

This research shows widespread recognition on the part of the educational leaders of the state that some institutional closures will be necessary for the quality of higher education as a whole in the state. The ideas of a blue ribbon committee and of a set of indicators were also suggested in the course of this research. What is needed is for the State Board of Education to take leadership so as to ensure equity and fairness. Model policies could be used by independent institutions and enforced in public institutions.

5. The State Board of Education and the Secretary of Education should sponsor research and studies to determine what additional enrollment measures might work in Pennsylvania.

The four measures used in this research--new program approval, enrollment targeting, termination of duplicative programs, and institutional closure for inability to maintain enrollment--were drawn from the literature in the field and were more or less strongly supported by educational leaders in Pennsylvania. They reappear in the above recommendations. But even taken together they might not be sufficient for Pennsylvania. Ongoing research and investigation in this area is very much needed.

Resources

Resource prospects for the decade of the 1980s is another matter of concern to many educational leaders in Pennsylvania. In contrast to the situation with enrollments, however, there are important perceptual differences that must be addressed.

The first involves differing views about the extent and nature of the problem. College and university presidents, while they differ in the percentage estimate of resource decline, nonetheless agree that it is a serious problem. They do not think resources will keep pace with inflation and they feel that further erosions of the resource base will seriously undermine the academic programs of their institutions because they have made all the cuts at the nonessential margins that they can make. While this is often standard annual budget rhetoric, this research suggests that presidents are now very serious about it and that they believe that erosion of quality is likely during the decade. State level leadership, on the other hand, is not overly concerned about the resource situation for higher education in Pennsylvania. They see annual increases and assume that there is no problem. They resent the widespread public image that higher education is not adequately supported in this

state. The interviews in this study suggest, however, that state agency officials and legislative leaders simply do not calculate inflationary impact in their assessment of the situation. This may account for the differing perceptions and it certainly has negative implications for higher education in the state.

The second perceptual difficulty is the general belief, evident from this research, that college and university presidents, regional councils, associations of institutions, and even state level agencies or boards do not have much influence over resource allocation decisions and further that resource decisions are not made on the basis of rational, objective assessments of resource needs and costs. Educational leaders in Pennsylvania believe that resource decisions in this state are made in the political arena on the basis of partisan and constituency politics. Dramatic imbalances among institutions in the resource allocations provide some evidence for this view. The important point, however, is that such attitudes have a negative influence not only on the interactions between colleges and universities and state government, but also on institutional policy and planning activities.

The possible implications for higher education suggest that resource allocations for higher education in Pennsylvania will continue to fall short of what is needed to offset cost increases and inflationary pressures and that they will continue to result from a highly "politicized" process. This will only further aggravate the interinstitutional competition and erosion of quality associated with enrollment decline and continue the policy vacuum with respect to higher education in the state. In the area of resources, too, concerted action and state level leadership are needed in Pennsylvania. The following recommendations call for cooperation and sacrifice from all parts of the system but they might prove responsive to the resource problems delineated in this study:

6. College and university presidents and association representatives must work harder to convince the Pennsylvania Department of Education, the State Board of Education, and the state legislative and executive leadership that, given current allocation trends, higher education faces serious resource problems.

Agreement about the extent and nature of the problem is needed as a first step. College and university presidents need to be reassured that their fears are unfounded or state level leadership needs to understand more fully the fiscal situations of colleges and universities. In either case, the quality of the debate and the general knowledge about resources in Pennsylvania must be improved.

7. College and university presidents should identify state level advocates on behalf of higher education and convince these individuals of the severity of the resource problems.

This research points to a definite advocacy vacuum in Pennsylvania. Current structure calls for the Secretary of Education to play such a role but in practice he is not perceived as doing so. The chairman of the State Board of Education or of its Council on Higher Education are other possibilities, but this research suggests that they are not perceived as effective advocates either. In such a situation it is difficult to achieve concerted action.

8. All members of the higher education system in Pennsylvania should work to strengthen the state level process for resource allocations through improved policies and practices for review, recommendation, and decision at various levels. More specifically:

a) College and university presidents should cooperate in the process of developing a consolidated higher education budget and the review and recommendation cycles at the state level. They should resist "special pleading" direct approaches to the state.

b) The State Board of Education, working through the PDE, should consolidate all budget requests for the state colleges and university sector, state-related universities, and state-aided institutions and provide an independent review and recommendations on these requests. The State Board should also recommend with respect to state allocations for community colleges, the size of the institutional assistance grants for independent institutions

and the amounts of state revenues to appropriate for student financial aid through the Pennsylvania Higher Education Assistance Agency.

c) The Governor should insist on a consolidated budget request for higher education as the basis for his budget and appoint a State Board of Education and Secretary of Education capable of providing effective review and recommendation.

d) Legislative leaders, likewise, should insist upon a consolidated budget and review and recommendation by the State Board of Education and use this information, together with the Governor's budget, as the basis for their decisions.

This recommendation calls for strengthening existing policies and procedures and for a more forceful and influential role for the State Board of Education. It seems imperative to move in this direction in order to deploy higher education resources more effectively in the state.

9. A decision must be made by the State Board of Education, after consultation with all higher education sectors, about formula budgeting for Pennsylvania. If there is to be formula budgeting, the formulas should be constructed to equitably determine resource allocations for <u>all</u> parts of the system of higher education in the state.

Several aspects of the process are already formulated in Pennsylvania. The state college and university sector is budgeted by formula. Once the base line amounts are set by the governor and legislature for the community college sector and the institutional assistance grants, a formula determines final allocations. Allocations are not formulated, however, for the state-related institutions, the state-aided institutions and the student assistance appropriation administered through PHEAA. The problem is compounded by the distinctions between preferred and nonpreferred budgets and the agreements negotiated between the state and APSCUF, the faculty collective bargaining representative in the state college and university sector. The end result has been demonstrably uneven treatment among institutions in the state.

This research showed strong survey respondent support for the concept of budget formulas but much skepticism about their usefulness in the future.

If the State decides to go to formula budgeting, the primary role of the State Board of Education, in line with the above recommendation, is associated with the development of fair, equitable, and flexible formulas. If the State decides against formulas then no institution should be subjected to them.

10. The State Board of Education should develop model policies for faculty and staff reductions in force for use in public institutions and as guides for independent colleges and universities.

Reductions in force have already proved necessary in the state college and university sector and in some independent institutions. It is important to all parts of the system that such actions result from fair and equitable policy and procedural determinations. It is also important that they work. Institutions must not be strangled by years of costly and morale-debilitating litigation. While independent institutions must establish their own policy in this area, they might benefit from information about workable "model" policies. Within the public sector a uniform policy and procedure would contribute toward fair and equitable treatment.

11. The State Board of Education should use the independent group of experts suggested in Recommendation 4 to also establish a set of financial indicators for determining when institutional closure is in the best interest of the institutions and the state as a whole.

Enrollment and resource considerations overlap when it is time to consider institutional closure. A college or university is in trouble when its enrollment falls to a point that the resource base needed for operation and offering of programs is threatened but it can be in financial difficulties serious enough to suggest closure even if the enrollment is stable. Model closure policies should apply to both situations.

12. The State Board of Education and the Pennsylvania Department of Education should sponsor research and studies to determine what additional resource measures might work in Pennsylvania.

The four measures analyzed in this research--formula budgeting, review and recommendation of budget requests, faculty and staff reductions in force, and institutional closure for financial reasons--were drawn from the literature in the field and were more or less strongly supported by educational leaders in Pennsylvania. They also reappear above. As with enrollment related measures, however, they might not be sufficient for Pennsylvania. Ongoing research and investigation is very much needed.

Relationship Between Independent Colleges and Universities and State Government

The relationships between independent colleges and universities and state government in Pennsylvania are particularly important because of the large number of institutions, the large proportion of state residents educated in them, and their extensive contribution to the public purposes of the state. The diversity represented by this system of higher education has long been considered an advantage and Pennsylvania has for many years provided some financial support for independent colleges and universities. The state has also saved a great deal of money because private schools educate Pennsylvania residents. This is evident from state comparisons of appropriations for higher education.

During the decades of the 1950s, 1960s, and 1970s, independent colleges and universities helped provide the needed educational opportunities for Pennsylvania residents. What will happen during the 1980s? Independent institutions will share in the enrollment and resource problems facing higher education in Pennsylvania. This research shows that many believe that this sector will be the sector most seriously affected by enrollment and resource declines. It is important to add, however, that not all independent colleges and universities figured in these assessments, only the small, nonelite, "marginal" ones. But there are many of these in Pennsylvania.

A number of fundamental state policy questions are raised by the overall and institution-specific prospects for the 1980s. Can and should the state help independent colleges and universities address their enrollment problems? Where does one draw the line between help and interference? What will be the impact on public sector institutions? How far should the state go in providing financial support for independent colleges and universities? With what implications for public institutions? What are the implications for independent colleges and universities of tuition policies in the public sector? Should private tuitions be considered in public tuition policy formulation? What about financial aid? These are all important policy questions and many others could be raised as well.

The theoretical basis for this research was a systems view of higher education in which component parts are mutually interdependent and work together for the good of the whole. Independent colleges and universities serve public purposes and are a necessary and legitimate part of the system of higher education in Pennsylvania. This research suggests that this view is shared by all educational leaders in Pennsylvania. Public policy for the 1980s, therefore, should strive for ways to help independent colleges and universities grapple with enrollment and resource problems without compromising their independent status and without harming other parts of the system. The following suggestions are made in this spirit.

13. Independent colleges and universities should cooperate in the development and implementation of enrollment plans as described in Recommendation 2.

The idea of state-established targeted enrollments for private colleges and universities will appear inimical at first to the independent interests of this sector and their implementation will appear to violate basic charter provisions. While it is probably correct that the state cannot enforce such

plans, on more reflection they may not be so inimical. If targeted enrollments in Pennsylvania can distribute the burden of enrollment cuts equitably across all institutions, independent institutions, which might otherwise stand to be the most seriously affected, might prove to be the beneficiaries. For enrollment targeting to be successful, however, all institutions must cooperate including the independent colleges and universities.

14. Independent colleges and universities should cooperate in reviews and approvals of new academic programs and program discontinuances as suggested in Recommendation 3.

The considerations mentioned above with respect to enrollment plans also apply to program targeting. They seem to pose a threat to independence. On the other hand, debilitating competition with respect to academic programs is already a fact of life in Pennsylvania and it is likely to get worse as institutions all try to enhance their enrollment potential by offering new and similar programs. This research showed that many leaders from independent institutions favored the concept of preventing unnecessary program duplication by controlling public sector programs but they did not favor controlling private sector programs. But program controls, like enrollment plans, will not prove effective in Pennsylvania unless all parts of the system are included.

15. The State Board of Education should seek to change state policy so that the base amount from which institutional assistance grants are calculated becomes a fixed ratio of state appropriations for other sectors of higher education.

This research showed almost unanimous support among educational leaders in Pennsylvania for the existing mechanism for providing state assistance to independent colleges and universities (established dollar amount per PHEAA aid recipient, see page 40). It also showed strong support for increases in the basic allotments. The latter, however, was not unanimous and analysis by category of institutions showed that presidents of the public institutions often opposed increases.

This recommendation does not suggest a change in the mechanism nor speak to the question of whether increases are necessary at this time. It attempts to suggest a more rational approach to setting the basic amounts from which specific allocations are calculated. The purpose is to allow independent colleges and universities to share in the overall fortunes or misfortunes of other parts of the system of higher education and to minimize interinstitutional competition in the political arena over resource allocations. Determination of the appropriate ratio will require careful study and should result from collaborative efforts throughout the system.

16. The State Board of Education should reexamine current tuition policies in Pennsylvania and develop tuition recommentations for the state as a whole.

The question of tuition levels raises very complex policy questions. This research showed support for the idea of raising tuitions in the public sector in order to assist private institutions. Presidents of private colleges and universities felt very strongly that the "tuition gap" was causing defections from the private to the public sector. They agreed that the state could help them most by raising tuition in the public sector so that students would have a "real" choice. Public college and university presidents felt equally strongly about the principle of providing low cost public higher education to the residents of Pennsylvania. They pointed out that Pennsylvania tuitions are already very high compared to those in other states. It must be noted, however, that Pennsylvania provides more student financial assistance than other states and that this practice works to the benefit of independent as well as public institutions. Financial aid does not, however, offset the high public or private tuitions and students in Pennsylvania bear a larger proportion of the costs of education than do residents of other states. There is no clear resolution to the tuition dilemma, but tuition recommendations

and decisions for the public sector ought to be made with full recognition of the implications for all components of the system.

17. The State Board of Education should help independent colleges and universities obtain low interest, low "red tape" loans for building, renovation, and energy conservation projects.

This suggestion was made by all presidents of private colleges and universities who were interviewed and by many survey respondents. While loans from the state are currently available, the presidents believe that the process is so cumbersome and time consuming that the necessary help is not provided.

Structure and Organization

Educational leaders in Pennsylvania had much to say about the individuals, boards, agencies, and committees which operate at the state level and there are several implications for higher education. Although leaders were not strongly convinced of the adequacy of current structures, they were, nevertheless, very much agreed in opposition to such structural changes as the abolition of the State Board of Education and (a) giving stronger powers to the legislature or (b) creating a statewide governing board for higher education in the state. They also opposed, although with less fervor, a statewide coordinating board with responsibilities only for higher education. Presumably, they concluded that the existing State Board of Education, with its dual Councils, can effectively accomplish the same purposes.

Education leaders, especially those from public sector institutions, were also opposed to the notion that state boards and agencies should more forcefully use their powers although many respondents were willing to see stronger powers for state agencies in enrollment and resource planning as these affected the public sector.

These results should be considered in conjunction with the overwhelmingly negative assessments of the performance of various state level boards and agencies that surfaced during the interviews. Many educational leaders do not see the State Board of Education as an effective coordinating body for higher education, and they do not think it is influential in policy making or resource allocation processes. Similarly, they do not see the Secretary of Education as an effective advocate for higher education and are not overly impressed by the work and staff qualifications of the Pennsylvania Department of Education. They commented frequently that state level boards and agencies often work at cross purposes apparently toward different ends. Presidents find constituency interests reflected in the work of legislative committees. Overall, a vacuum rather than clear higher education policy is perceived in the state. It should be remembered, however, that these assessments were volunteered during the interviews rather than specifically requested so there is no quantifiable data on these attitudes.

When the assessments are considered with the responses for items concerning structural change, it suggests that the resistance to change may reflect a desire to avoid centralization under current leadership at the state level rather than a desire to eschew all state level involvement in these areas. Whatever the motivations, however, the desire for decentralized decision making is clear.

While it is obviously a matter of judgment, it seems that decentralized decision making for higher education in Pennsylvania during the 1980s will not prove effective. Given the magnitude of the enrollment and resource problems, it is difficult to imagine that the problems can be effectively addressed at institutional levels without debilitating competition. In such a situation most colleges and universities will lose. They will be forced to compromise

quality, in many cases to alter missions and purposes, and to offer so much that nothing is done well. Taxpayers and residents will lose as well as the quality of institutions and programs declines and costs increase.

To avoid such a future it seems that cooperation among institutions is necessary and some sacrifice for the good of the whole is called for. State level leadership seems essential to accomplish this. While the basic structures do not necessarily need to be changed or reorganized, state level boards, agencies, and committees will need to use their powers forcefully and commit themselves to coordinated action. More specifically it is suggested that:

18. The State Board of Education should provide leadership for the development of documents explicitly allocating responsibilities for enrollment and resource planning.

This research showed dramatic differences of opinion as to which board or agency should have primary responsibility for enrollment and resource planning. It is possible to assume that given these differences of opinion, no group will assume responsibility and effective planning will not be undertaken. The State Board of Education can provide leadership in the development of explicit agreements about allocations of responsibilities. In this way concerted action may be possible.

19. There should be no basic changes in state level structures, mandates, or powers, but the State Board of Education and other state agencies should use their powers more forcefully on behalf of higher education.

The strong resistance to change evidenced in this research suggests that formal structural or organizational change might prove counterproductive. It should not be necessary, furthermore, in order to accomplish the needed enrollment and resource planning, because the State Board of Education, the Secretary of Education, and the Pennsylvania Department of Education already have strong statatory powers. The basic problem has been the failure to use these powers effectively.

The State Board of Education could provide far more leadership if it becomes more influential in the resource allocation process and in higher education policy formation. The legislature, the governor, and the Secretary need to recognize the importance of strengthening the influence of the State Board of Education and colleges and universities must be willing to cooperate with it.

20. The Secretary of Education should become a stronger advocate for higher education and should work more effectively with the State Board of Education.

The Secretary and staff members in the Pennsylvania Department of Education could devote more time and attention to higher education, take their coordinating responsibilities more seriously and use their powers more forcefully.

It was pointed out in several interviews that the influence of the State Board of Education is often undermined because the Secretary, as a cabinet secretary, takes different positions on important issues. Such a situation is clearly divisive for higher education. It should be possible for the Secretary to become a strong advocate for higher education but to work in concert with the State Board of Education.

21. A system-wide governing board with a chief executive officer should be established for the State College and University Sector.

This idea is widely supported in the state. It would improve governance in the state college and university sector, and enable the Pennsylvania Department of Education and the Secretary to devote more time and energy to the coordinating responsibilities for all of higher education.

22. Regional higher education councils should be strengthened.

This research showed surprising support from the entire spectrum of educational leadership in the state for regional higher education council

involvement in enrollment and resource planning. Cynics have noted, however, that regional councils are preferred to state-level agencies primarily because, as voluntary associations with no statutory mandate, they cannot require any college or university to do anything. On the other hand, their composition and location suggest that they might be excellent agencies for specific enrollment and resource planning activities.

It would seem that in order to be effective, the regional higher education councils should work closely with the State Board of Education and the Secretary but they must be in a position to enforce compliance from colleges and universities within the region. The intent of the recommendation is to suggest that it is important to clarify the relationships of the regional higher education councils to the state and to colleges and universities.

General Observations and Suggestions

Many of the preceding suggestions are at variance with the traditional "ethos" in Pennsylvania which favors decentralization and institutional independence. They are consistent, however, with the research and literature in the field as described in Part I. McConnell, Valtridge, Glenny, Millett, Berhahl, Millard, and many others have advocated strong coordination and planning at the state level. The Carnegie Commission on Higher Education, the Carnegie Foundation for the Advancement of Teaching, the Carnegie Council on Policy Studies in Higher Education, and the Sloan Commission on Government and Higher Education have emphasized the legitimate interests of state government in higher education policy and the importance of state level leadership even as they have noted the societal and individual benefits from diversified systems of higher education and strong, independent public and private colleges and universities.

These suggestions, moreover, are consistent with practices in many states. Much of what is suggested here for Pennsylvania occurs as a natural part of master planning in other states. The Education Commission of the States (1980) has advocated much stronger planning efforts. Glenny, Berve, Millard, and others have documented the trend toward regulatory coordinating boards and strong system-wide governing boards. In practice if not in formal structures, mandates and powers, Pennsylvania has not been part of this trend.

Pennsylvania is unique, as are all states, in its system, structure, and organization for postsecondary education. The large number of independent colleges and universities; the special status of state-aided and state-related institutions; the relatively small size of the public sector; the combined coordination and governance responsibilities of the State Board of Education; the cabinet status of the Secretary; and the dual responsibilities for basic and higher education of the Secretary, the Pennsylvania Department of Education and the State Board of Education combine to make coordinated planning an especially difficult enterprise. At the same time, Pennsylvania is facing perhaps the most serious enrollment and resource problems. Mere tinkering with the system or simultaneous tinkering on the part of the colleges and universities in the system will not provide adequate solutions to the problems.

The preceding suggestions, then, are intended to help Pennsylvania come to grips with enrollment and resource problems. They do imply a new direction for the state toward stronger statewide coordination and planning. The leadership for such efforts will have to come from state level agencies and it is suggested here that it come primarily from the joint efforts of the State Board of Education and the Secretary of Education. Commitment and cooperation, and even sacrifice, are also needed from all of the colleges and universities in Pennsylvania. True concerted action is needed.

In light of these general observations, the following additional suggestions are made:

23. The master planning process in Pennsylvania should be strengthened and improved.

Four master plans have been produced for Pennsylvania, yet there is little evidence that the many recommendations in these plans have been implemented. The 1978 Master Plan contained very broad policy recommendations that were to be implemented at the will of the legislature, governor, various state agencies and institutions of postsecondary education. As of 1980, very few had been implemented (see Crosson, 1979). An improved master planning process could be developed for Pennsylvania and the result would be a far more specific plan than the one approved in 1978.

Pennsylvania cannot afford, however, to wait until 1983 to begin planning for enrollment and resource declines. We must begin now. The results of planning activities as suggested in several of the foregoing recommendations might be incorporated into the next Pennsylvania Master Plan.

24. Studies of the ways in which other states are planning to come to grips with enrollment and resource issues are also needed.

Traditionally, studies on the relationships between higher education and state government have been based on comparisons among the states. With additional studies on how specific states intend to plan for specific enrollment and resource prospects we will be in a better position to generalize about higher education. Such studies, however, need to be sufficiently detailed about the nature of the higher education systems, the interactive processes, and the size and scope of the problems to enable both state-specific, feasible solutions and accurate generalizations.

25. Further research is needed on a possible new trend in the relationship between colleges and universities and state government.

The findings and suggestions in this study are for the most part consistent with those of other studies on the relationships between higher education and state government and on statewide planning and coordination. The focus on enrollment and resource prospects and on planning for the decade of the 1980s, however, brought to light a possible new trend which deserves careful study. Most studies completed subsequent to 1960 document the trend toward the centralization of power and authority in higher education with important policy, program, and fiscal decisions increasingly made at the state level rather than on college and university campuses. The studies also emphasize the strong opposition to such trends from college and university presidents, faculty and students, and the equally strong support for them from state higher education agency and political leadership.

A somewhat different pattern was evident in this research. College and university presidents were far more willing than was anticipated for state level agencies to have primary responsibility for enrollment and fiscal planning. Also surprisingly, state level educational and political leaders wanted to pass that responsibility back to the institutional presidents and governing boards. It suggests that as enrollment and fiscal problems increase - in short, as times get more difficult - current attitudes about state control and institutional independence may change, and each group may be much more willing to have the other have the major responsibility. If true, such a trend would have important implications for higher education. It deserves to be studied more precisely than has been possible in this research.

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# STATE PLANNING SURVEY: PENNSYLVANIA

The current state-level structure for planning, coordinating, and determining resource allocations for higher education in Pennsylvania includes the Governor, the State Legislature (primarily through education committees in House and Senate), the State Board of Education (some of whose members also comprise the Pennsylvania 1202 Commission), the Secretary of Education (who serves as a member of the Governor's cabinet), the Pennsylvania Department of Education, eight regional higher education councils, and the governing boards of the more than 200 institutions or sectors of higher education in the Commonwealth.

The purpose of this research project is to solicit your expert opinions concerning the respective roles of state level agencies and institutions of higher education in two areas that are anticipated to be of considerable importance to higher education in the 1980's--enrollments for institutions of higher education, and resources for the general operations of colleges and universities. The following questions ask you to comment on potential responsibilities and activities in both areas. In some questions, you are asked to judge whether problems can be anticipated in these areas. If you so judge, you are further asked to identify the group who <u>should</u> assume primary responsibility for attempting to solve the problem and to express your opinion about potential solutions on a five point scale ranging from strongly agree to no opinion. For all questions, please circle the response that most closely reflects your opinion and add any comments or clarifications you consider appropriate. The five point scale categories are: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD), No Opinion (NO).

Thank you for your cooperation.

## COMMONWEALTH SYSTEM OF HIGHER EDUCATION

1. State-related institutions should be considered part of the public system of higher education in Pennsylvania.

SA A D SD NO

COMMENTS: _____

2. State-aided institutions should be considered part of the public system of higher education in Pennsylvania.

SA A D SD NO

COMMENTS: _____

## ENROLLMENTS

3. During the 1980's, overall enrollments in higher education in Pennsylvania will

   a. increase 1-10%.
   b. remain stable.
   c. decline 1-10%.
   d. decline 10-20%.
   e. decline 20-30%.
   f. other (please specify) _____

*(If you circled a or b in answer to this question, please skip to Question 9.)*

4. These enrollment declines will <u>most</u> seriously affect

   a. private institutions.
   b. state-aided institutions.
   c. state colleges and university.
   d. state-related institutions.
   e. community colleges.
   f. other or combination (please specify) _____ 112

5. To ensure the continued quality of higher education in Pennsylvania, some institutions in the public sector should be closed during the 1980's.

SA A D SD NO

COMMENTS: _____

6. To ensure the continued quality of higher education in Pennsylvania, some institutions in the private sector should close during the 1980's.

SA A D SD NO

COMMENTS: _____

7. Assuming that a combination of institutional and state efforts are needed to help solve enrollment problems in Pennsylvania, which of the following groups should be primarily responsible for planning for enrollment declines for institutions in the public sector? *(Circle only one category)*

a. state legislature
b. State Board of Education
c. Pennsylvania Department of Education
d. regional higher education councils
e. institutional or sector governing boards
f. other (please specify) _____

8. As a means of planning for enrollment declines for institutions in the public sector, the group that you identified in Question 7 as having primary responsibility should have the authority to

8.1. review and approve all new academic programs so as to preclude creation to unnecessarily duplicative programs in the public sector.

SA A D SD NO

COMMENTS: _____

8.2. establish maximum enrollment levels for institutions in the public sector.

SA A D SD NO

COMMENTS: _____

8.3. review all existing programs in the public sector and discontinue those which are unnecessarily duplicative.

SA A D SD NO

COMMENTS: _____

8.4. identify those institutions in the public sector which should be closed for inability to maintain adequate enrollment.

SA A D SD NO

COMMENTS: _____

## RESOURCES

9. During the 1980's, the overall resources available to institutions of higher education in Pennsylvania, when calculated on a per student basis and adjusted for inflation, will

a. increase 1-10%.
b. remain stable.
c. decline 1-10%.
d. decline 10-20%.
e. decline 20-30%.
f. other (please specify) _____

*(If you circled a or b in answer to this question, please skip to Question 13.)*

10. Resource declines will most seriously affect

    a. private institutions.
    b. state-aided institutions.
    c. state colleges and university.
    d. state-related institutions.
    e. community colleges.
    f. other or a combination (please specify) _____

11. Assuming that a combination of institutional and state efforts are needed to help solve resource problems in Pennsylvania, which of the following groups should be primarily responsible for planning for resource declines for institutions in the public sector? *(Circle only one category)*

    a. state legislature
    b. State Board of Education
    c. Pennsylvania Department of Education
    d. regional higher education councils
    e. institutional or sector governing boards
    f. other (please specify) _____

12. As a means of planning for resource declines for institutions in the public sector, the group you identified in Question 11 as having primary responsibility should have the authority to

    12.1. establish formulas for the allocation of resources to institutions in the public sector.

    SA A D SD NO

    COMMENTS: _____

    12.2. review and recommend to the legislature with respect to the budget requests for each institution in the public sector.

    SA A D SD NO

    COMMENTS: _____

    12.3. establish policies and procedures for faculty and staff reductions in force of institutions in the public sector.

    SA A D SD NO

    COMMENTS: _____

    12.4. identify those institutions in the public sector which should be closed for inability to remain cost effective.

    SA A D SD NO

    COMMENTS: _____

    12.5. Other (please specify) _____

## RELATIONSHIPS AND STRUCTURES

13. Although governing boards for institutions in the private sector will continue to have primary responsibility for planning for enrollment and resource declines, the state will have an increasingly important role in private higher education during the 1980's.

    SA A D SD NO

    COMMENTS: _____

14. In order to assist private institutions, Pennsylvania should

    14.1. increase support to private institutions through increase in PHEEA grants.

    SA A D SD NO

    COMMENTS: _____

14.2. prevent unnecessary program duplication by controlling programs in the public sector.

SA A D SD NO

COMMENTS: _____

14.3. prevent unnecessary program duplication by controlling programs in the private sector.

SA A D SD NO

COMMENTS: _____

14.4. increase tuition in the public sector.

SA A D SD NO

COMMENTS: _____

14.5. Other (please specify) _____

15. Assuming that the state will be involved in enrollment and resource allocation decisions affecting Pennsylvania public higher education in the 1980's, the current state level structure (as described in the questionnaire introduction)

15.1. is adequate in terms of the scope and use of powers and responsibilities.

SA A D SD NO

COMMENTS: _____

15.2. is adequate in terms of the scope of powers and responsibilities, but state level agencies should more forcefully use their powers.

SA A D SD NO

COMMENTS: _____

15.3. is inadequate. The group you identified in Question 7 as primarily responsible for planning for enrollment declines should have stronger powers.

SA A D SD NO

COMMENTS: _____

15.4. is inadequate. The group you identified in Question 11 as primarily responsible for planning for resource allocations should have stronger powers.

SA A D SD NO

COMMENTS: _____

15.5. is inadequate. There should be a state-level board with the power to coordinate only and all higher education.

SA A D SD NO

COMMENTS: _____

15.6. is inadequate. Institutional and sector governing boards should be abolished. A new state-level board with the power to govern all institutions of higher education should be created.

SA A D SD NO

COMMENTS: _____

15.7. is inadequate. The current State Board of Education should be abolished. The state legislature should assume a stronger oversight role for public higher education.

SA A D SD NO

COMMENTS: _____